

A multi-stakeholder approach to the governance of universities:

Theory and Empirics

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Introduction

The governance of university is a worldwide debated issue in academia and public policy arena. This paper illustrates two plausible underlying theories behind the governance design of universities: one based on the idea of university as a public institution, financed and regulated in its general objectives by the State but, essentially an autonomous and self-governed entity. The other one that can be attributed to *new public management* philosophy and that adopts simplified principal-agent models, namely universities are viewed as institutions operating in a quasi-market system where control is in the hand of external administrators. Accordingly to the first view, academic community has a fundamental role in the decision making process, concerning staff management, curricula and resources allocation. Otherwise in the second perspective the public authority indirectly control universities through governance mechanisms. In sum, if the first view is more compatible with a democratic governance setting, the second respond to the idea of a university run by an “external owner”. Considering the concept of *social responsibility* brings together with considerations on efficiency we show the comparative advantage of the model of “autonomous and socially responsible university” against the *principal-agent* approach.

So far, a very powerful analysis has been conducted by Masten (2006, 2013) on American university system investigating the rationale for a democratic model of governance. More in detail, the parallelism proposed by Masten between the theories of political organization and the way in which universities are governed lets to

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define the role of democratic governance in terms of commitment device that protects the interests of the parties in presence of *specific investment* and *contracts incompleteness* in order to realize a mutually beneficial agreement. In other words, by following political bargain theories (North and Weingast, 1989) Masten defines democratic governance within academia as a commitment devices in order to makes individuals securing their bargain and thus guaranteeing the incentives to make investments essential to the production of joint surplus. Furthermore, the empirical evidences on the US Universities discussed by Masten (2006, 2013) support the thesis that universities are institutions that are can't be fully ascribed to firms (intended in their archetypal form of autocratically run organization). On the contrary, they are in part closer to a constitutional order of checks and balances of a constitutional democracy.. In a wider interpretation we present our proposal based on the economic theory of organizations. Our analysis starts from the notions of *contract incompleteness* and *specific investment* in the new-institutional tradition (Williamson, 1975, 1986), then we add the concepts of *essentiality of cognitive resources* (Aoki, 2010), finally we integrate it with the definition of *social responsible organization* "(...) whereby those who run the organization have responsibilities that range from fulfillment of fiduciary duties towards the owners to fulfillment of analogous fiduciary duties towards all the firm's stakeholders" (Sacconi, 2004a, 2004b). Accordingly, the discretionary power owned by the authority should be counterbalanced by a commitment to respect the legitimate interests and rights of all the stakeholders. The respect of this commitment is guaranteed by governance and accountability devices. This definition represents an alternative to the inadequacy of the principal-agent model when applied to universities. Indeed, universities are organizations subject to *contract incompleteness* and *specific investments*; let's think to the investment of professors and researcher in a discipline, as well as the investment of administrative staff to learn the complex mechanisms of the academic institutions. In addition, the university is characterized by the presence of *cognitive assets reciprocally essential* to the pursuit of the mission of the university. Consider, for example, the relationship between research and post-graduate education (i.e. PhD) in which the latter has a fundamental role in the support, including financial one, of the first, at the same time, this advanced training would not be achievable in the absence of research activity. The highlighted features require a governance structure that protects the parties' incentive to invest and support the essential relationship between cognitive resources. Then, interesting policy indications on governance emerge, where the responsibility is interpreted as a duty to protect the legitimate interests of all stakeholders.

A forthcoming empirical research, replicating the two presented by Masten for US universities, is here designed to the aim of understanding how the decision-making power is actually distributed in Italian universities. In the case of Italy what is interesting is providing empirical evidences on how organizational forms, in responding to coexisting law imperatives and informal arrangements, really work.

The paper is divided into four sections; the first section presents the analysis conducted by Scott Masten investigating the rationale for a democratic model of governance in American universities. The second section describes the general theoretical framework behind the new-institutional model of multi-stakeholder governance with a focus on *specific investments* (Williamson, 1986) and *essentiality of cognitive assets* (Aoki, 2010). The third section proposes an interpretation of the university considering the theories presented in the second paragraph and applies the multi-stakeholder model to the university context. In the fourth section presents some hypothesis for an empirical research that can be developed in the Italian context as well as in the European Higher education system.

1. Academia between specific investments and contract incompleteness, evidences from American Universities

In this paragraph we present a study conducted by Masten (2006, 2013) that investigate the rationale for a democratic model of governance in the university context together with empirical evidences showing that US university system is in part closer to a constitutional order of checks and balances of a constitutional democracy. Starting from concept of *specific investments* and *contract incompleteness* Masten provides an explanation for the demand for democracy in academic institutions. The main idea is that individuals operating in the universities face mutually beneficial opportunities of cooperation, at the same time academic transactions are subject to the problem of abuse of authority that destroys the incentives to invest of the parties. More in detail, academic institutions presents some peculiar characteristics causing the renegeing and hazardous problem to be considered a priority in the study of governance: the specific-investment made by the faculty is subject to potential exploitation from the administrators/authority, the formulation of contingent contract is impractical, the lack of a third party enforcing the contract makes the “self-enforcement” an essential element for an efficient academic bargain, at the same time in order to provide an effective deterrence, a multilateral action is required but private costs of participating in a protest or revolt are high in absence of a mechanism that communicates the violation and the proper response to it. Low mobility and heterogeneity of interests exacerbate the problem, namely the “immobility” weaken the chance of protection as well as the differences in beliefs undermine the threat of a collective action against violation. With respect to the characteristics of academic transactions Masten shows the comparative advantages of democratic governance with respect to autocracy in large and heterogeneous universities (characterized by low mobility and heterogeneity of beliefs). The terms autocracy and democracy are used by Masten in analogy with the governance structure in political context, in particular where “administrator determination” is the prevalent mode of academic governance it resembles autocracy intended as monarchy or dictatorship, on the other hand, “faculty determination” and “joint administrator” correspond to unified (or parliamentary) democracy and divided (or presidential)³. In particular, the concept of autocracy³ is here used a la Williamson as the executive authority that enable a single decision maker to discretionally intervene on unforeseen contingences that occur, in an “adaptive, sequential decision-process” (Williamson, 1975, p 104)⁴.

³ **“Faculty Determination:** Determination means that the faculty of an academic unit or its duly authorized representatives have final legislative or operational authority with respect to the policy or action, and any other technically required approvals or concurrences are only pro forma.

Joint Action: Joint action means that formal agreement by both the faculty and other components of the institution is required for confirmatory action or policy determination. Negative action can be accomplished by a veto by either faculty or administration & the board. The separate components need not act simultaneously but should act within a reasonable time interval. In no case should the interval be longer than an academic year.

Consultation: Consultation means that there is a formal procedure or established practice which provides a means for the faculty (as a whole or through authorized representatives) to present its judgment in the form of a recommendation, vote or other expression sufficiently explicit to record the position or positions taken by the faculty. This explicit expression of faculty judgment must take place prior to the actual making of the decision in question. Initiative for the expression of faculty judgment may come from the faculty, the administration, or the board.

Discussion: Discussion means that there is only an informal expression of opinion from the faculty or from individual faculty members; or that there is formally expressed opinion only from administratively selected committees.

None: None means that there is no faculty participation. In cases where the specific item is lacking, e.g. there is no long-range budgetary planning or where the item is mandated say by the state legislature, e.g. admission requirements for some state schools, then the form of faculty participation is none” (AAUP Report, 1971, p.122).

⁴Please note that the terms *autocracy* does not imply an external form of control or authority, rather autocracy gives the decisional power to whom make the major investments, granting the owner the protection from opportunism. In other words, this hierarchical

The main idea is that democratic governance guarantees the individuals who interact with academic institution the investment incentives in a context where difficulties in relocating specific investments reduce the mobility and where collective enforcement is ineffective (2006, p.659). More in detail, democracy by providing democratic decisional rules force the administrators to consider the interests of the other individuals interacting with the institutions, as the latter are represented by governing unit. Then the definition of a democratic governance structure identifies decisional rules defining vote procedures and voting members, thus determining “whose interests are protected and the degree of commitment to the status quo” (2013, p. 99) and enhancing homogeneity of faculty beliefs “making the threat of collective retaliation for substantive transgression more credible,...” (pp. 660, 2006). To describe it roughly, giving veto authority to individuals allow to identify and coordinate responses, thus increase stability of the agreement. Status quo is intended as the state of the world in the absence of a decision to change it. In other words, by adopting certain decisional rule such as majority, minority or a certain distribution of veto power, changing or retaining the status quo can be more or less difficult. The possibility of the status quo maintenance is guaranteed by the allocation of veto power, that is the effective power to block a decision made by another group (Arrow, 1963,p. 119).

In Masten’s perspective, the stability of the agreement is guaranteed by the distribution of veto power, namely by the limits imposed on the use of authority. But if this is sufficient per se to have a stable agreement, namely to assure the parties the incentives not to renege or engage in other hazardous behaviors is, in our opinion, still an open question. Moreover this perspective does not consider extensively the concept of accountability, intended as a governance device that gives an answer to the legitimate claims of all stakeholders. To the extent of filling this gap, in the following paragraphs we present a complete model in the multi-stakeholder approach.

2. New-institutional approach and the multi-stakeholder model of governance

2.1. The governance structure when specific investments and essential cognitive assets are involved

In this section we examine the new-institutional theory of the firm and its developments, taking into account the concept of *specific investment* (Williamson, 1986) as well as that of *essentiality of human assets* (Aoki, 2010). More specifically, (...) “the firm becomes a typical case of team production among many holders of specific investments (who are also stakeholders in the strict sense), with some other stakeholders potentially subject to the (negative or positive) externality deriving from it” (Sacconi, 2010a, p.166), at the same time firm can be thought as *associational cognitive system* (or group level cognitive system) (Aoki, 2010, p.20), namely the firm represents a case of team production between cognitive assets of investors, managers and workers (physical asset: PHA; managements’ cognitive asset: MCA; workers’ cognitive assets: WCA).

Economic transactions characterized by specific investment of the individuals, whose value is associated to the continuity of the transaction, are subject to potential opportunism causing the failure of the

type of governance differs from the NPM approach proposing a structure where external members are appointed by the Ministry to govern the university. More in detail, the advantages of hierarchies (or internal organization) with respect to markets are linked to the solution of opportunism, as hierarchies establish authority relationships whereby the parts endowed with authority has the control over the decisions ex ante non negotiated (Williamson, 1975) (Sacconi, 1997, p.9). “The drawback of such discretion is the inability to commit to intervening non-opportunistically; unconstrained authority weakens the incentives of subordinates to invest in relationship-specific assets (Williamson, 1985)” (Masten, 2006, p 678). In other words the problem of abuse of authority when investments are multiple.

mutually beneficial exchange. Failure is due to the impossibility of establishing contingent clauses on future event (i.e. contract incompleteness). In fact parties can renege or engage in hazard behaviors once the contract has been signed. To deal with the problem, the normative solution proposed by the new-institutional economics (Williamson, 1975, 1986, Grossman and Hart, 1986, Hart and Moore, 1990; Hart, 1995; Hansmann 1988, 1996) suggests a mechanism based on the allocation of authority. The authority is understood as the right to decide on matters not covered by the ex-ante contract (residual rights of control) and that affects the distribution of the value jointly produced. It is assigned to the person who makes the specific investment in order to maintain the investment incentives, so called *standard solution*.

In Aoki's view, governance structure as a mean to capture and sustain the benefit of the joint production must reflect the interaction scheme that exists between the assets and that gives life to a specific *organizational architecture*. In the case in which the cognitive assets of managers and workers are mutually essential, the managers need the cooperation of the workers to be able to use the physical assets in a productive way; at the same time the latter need the strategies of managers to use their cognitive assets (Aoki, 2010). This mutually indispensable relationship is therefore of primary importance, because, as claimed by Aoki, neither party can benefit from control over physical assets (PHA) until the achievement of mutual cooperation. In particular, it is achieved through a process of co-decision between the holders of essential cognitive assets and where the owners of physical assets has the role of verification, *cognitive sharing vs. hierarchical cognition* (positive approach)⁵. In conclusion, this governance structure provides incentives to the contribution and development of strategic assets.

At first sight it would seem, therefore, that the neo-institutional approach of specific investments leads to design a structure of governance based on the unilateral allocation of authority, while the idea of mutually essential cognitive assets would favor a model of shared allocation of authority. At the same time, introducing the concept of *social responsibility* in the context of the specific investment there is the possibility to build a continuum of solutions.

When, in fact, the specific investments are multiple and interdependent the one-side control will not prevent the risk of abuse of authority (Sacconi 2000, 2006a, 2010), the power to take decision not specified in the contract and that affect the value of the investment made by others are in the hands of one individual. By contrast, in the simplified model (with only one specific investment) the unilateral allocation serves to prevent it. In other words, individuals do not invest without adequate guarantee that the agent endowed with authority will not renege. This is possible only through a fair balance of all the interests at stake that legitimate the exercise of decision-making authority. More specifically, the hierarchical solution is an incomplete solution (Sacconi, 1997) that causes an inefficient outcome in terms of under-investment of the individual without the authority and over-investment of the other (Grossman and Hart, 1986). A response to this problem, which focuses on filling the gap in the definition of organization as a unified governance of transaction (Sacconi, 1991, 1997, 2000, 2004b) came from the notion of CSR (Corporate Social Responsibility) as "extended model of governance", namely the manager of the organization has two types of obligations, called *fiduciary duties*: one in relation to "owners", the other in respect of all other stakeholders of the organization (Sacconi, 2005a). Such

⁵ More in detail a system of cognitive sharing (or assimilated cognition) is based on the sharing of information on common observations and discussions, and associated with an external monitoring by the lenders.

a governance model is based on three elements: the residual decision right (on the decisions that remain from the contract and that affect the value of investments), from which derives the authority; the fiduciary duties of those who manage the institution towards owners and, finally, the social responsibilities of the institution, namely extended fiduciary duties towards stakeholders who do not have control (ibid.). Social responsibility, integrate the full set of rights and duties pertaining to the governance structure of the organization, in this way it not only demarcate the boundaries within which the authority may be exercised, but - through extended fiduciary duties – it also require that the management of the firm benefit also non-controlling stakeholders. Thus Corporate Social Responsibility defines a multi-stakeholder model of governance. With this solution we come to a formulation equivalent to that proposed by Aoki in terms of shared governance.

The governance solutions concepts above presented can be applied not just to firms producing goods and services that are exchanged on the market, but also to universities. Universities produce goods that are highly complex and required specialized knowledge, such as advanced teaching and research, that the market cannot develop without market failures, due to: information asymmetries between the parties of contracts; incompleteness of knowledge and contracts that should regulate them, unforeseen events; the partially or completely "public" or "common" (commons) nature of the goods produced. These aspects makes impossible to determine prices or exclude the parts not willing to pay them, and that under the assumptions of market exchange would generate numerous forms of free riding. These organizations, having an activity based on the cooperation between various assets and being fertile ground for investments of a specific nature, appear a privileged setting for the application of the theories described above. In the third paragraphs we present a detailed discussion.

Since the mutual benefit among stakeholders (reflecting different degrees of specific investment or essentiality of cognitive assets) turns out to be so crucial, it is natural to try to explain the emergence of the allocation of authority within organizations through the idea of a social contract (or constitutional) among all stakeholders on the governance structure of the organization). To be more precise, in the next paragraph we present the governance architecture emerging from the contract terms as rational agreement between parties in an original position.

2.2. The emergence of multi-stakeholder governance model from the social (or constitutional) contract of the organization

In this paragraph we present the general terms of a constitutional choice model, in order to explain the allocation of rights and duties contained in a governance structure of the organization as resulting from the social contract (or constitutional) among all stakeholders of the organization.. In other words, the social contract provides the contractual approach to the theory of firm (and organization), that is the emergence of an organization explained by the hypothetical agreement on a fair contract between all parties involved. This explanation corresponds to the mathematical model of cooperative bargaining game, and for which is possible to find a bargaining equilibrium through the application of the appropriate solution concepts (Sacconi, 2005a, 2010b).

Individuals, having a common purpose to participate in a mutually beneficial joint action, representable through a cooperative game, face the problem of selecting a joint strategy that allow coordination between

stakeholders in order to achieve cooperation. In the meanwhile, the selected strategy must solve in advance, a conflict over the distribution of the surplus that will be produced.

In particular, we present in the following lines a two-stage model not only for the allocation of authority (residual right of control over discretionary decisions) but also for the allocation of other rights (rights of compliance with the legitimate demands of stakeholders). The model follows a sequential structure: at time t_0 parties make a constitutional agreement regarding the basic rules (allocation of rights) to leave the state of nature, in which the non-cooperative interaction of individuals leads to a sub-optimal outcome (status quo); at time t_1 investment decisions are made (to invest or not to invest); at time t_2 unforeseen events occur that lead at time t_3 to bargain for the first time on the cooperative surplus distribution, the bargain is constrained by constitutional rules established at time t_0 , or, if at time t_0 the parties have remained in a state of nature, an opportunistic (re)negotiation of contract terms will occur, as a result of incomplete contractual relations. The decision nodes of collective choice are represented by the initial stage (t_0) and the final one (t_3).

The first stage represents an original situation of bargaining in which all stakeholders make an agreement in which they establish a constitution (set of rights / set of admissible strategies) that binds bargaining in the next stage (t_3). The game is a cooperative constitutional bargaining game, in which the agreement, if rationally selected, is respected. The agreement, to be rational, must ensure a payoff at least equal to what individuals would get in the state of nature, namely at least the status quo. The solution to the bargaining game of the first stage is the Nash solution (Nash, 1950 and 1953); it selects the point at which the product of the players' utilities, net of the status quo, is a maximum. It can also be interpreted (under the hypothesis of interpersonal comparability of utility) as a solution proportional to the *relative needs*, as the distributive criteria reflects the relative variation – or the substitution rate - of the players' utility in that point (Brock, 1979; Sacconi, 1997). Accordingly, at the first stage parties have not made the investment, so it is not possible to define a distributive principle for rights' allocation based on merit. In other words, if contribution has not been given yet, then it is obvious that only the *relative need* of the parties counted as relevant criteria for allocations of rights.

For the purposes of this work, the first stage of the model is explained as a distribution of primary goods (Rawls, 1971) and capabilities (Sen, 1992, 1999)⁶. This passage is not innocuous since, to be consistent with the constitutional contract model and the use of the Nash bargaining solution, it requires that we understand primary goods (and capabilities) as tools that are "needed" for the pursuance of our plans of life, and that such "needs" can be expressed in terms of intercomparable utilities. For an interpretation of the utility functions as a measure of how much a primary good is a needed tool (in the sense essentially useful or "necessary" in instrumental practical sense) in order to accomplish (in expected terms) any possible plan of life one can take Roemer's suggestion (Roemer 1996, see also Sacconi 2011).

Once this assumption is allowed, primary goods in Rawls' view (1971) are the means to pursue any rational plan of life, including education, knowledge, tools for the research of new ideas and facts, and know

⁶ In the capabilities approach (Sen 1992,1999) the focus is on the real opportunities rather than on primary good (Rawls, 1971) as means. The idea of well-being in Sen is given by the capabilities to function, where functioning are sets of "doings and beings", namely what a person manages to do or to be, and the capability is the set of achievable functioning. If the functioning constitute a person's well-being the "capability reflect the freedom to choose between different way of living"(Sen, 2009).

how, means for accessing the professions, or means for local development (including social capital). According to Sen, however, the concept of capabilities can be seen as the capability to use goods to the end of accomplishing the internal standard of excellence of any given field of human activity, understood as a domain of being or doing, viz. to function properly in a given domain of human life. A plan of life can be seen as the set of functionings that individuals choose to aim to, both because of inter-subjective consensus (as far as collective choice of basic functionings is concerned) and personal deliberation. Thus “utility” in Roemer sense may be also understood as a measure of the usefulness of any pairing of capabilities and primary goods to the aim of satisfying the internal demand of success in a set of functionings constituting a given plan of life. With the reference to the fields of higher education in particular, it is obvious that education is a primary good to which are related the capabilities of understanding, learning, studying, seeking to new results, innovating in order to use knowledge in new practical or productive uses, to develop social capital in order engender relations of trust that allow these application etc.

The agreement at first stage specifies the initial endowment in terms of primary goods and capabilities that structure the subsequent production of the surplus. In fact, in the constitutional choice game, a constitution is a restriction on the initially admissible strategies (in the state of nature), that limits choices in the post-constitutional game (at t_3). Such strategies can be seen as rights, as well as resources which they may use in terms of primary goods or capability to function.

Thus, every possible constitutional arrangement defines a cooperative sub-game, which is played at the second stage. At this stage parties bargain what they can get from cooperation, in other words, determine the share of the joint surplus that can be appropriated after the investment. The joint surplus produced depends on the investment of each party, that in turn depends on the initial allocation of rights/resources in the constitution. In other words, the constitution selected in the first stage is the key element that provides incentives to invest, by defining decision rights that affect the resources held by each participant and the possibility of expropriation of others’ investments, and therefore the value of those investments. The solution concept in the cooperative sub-game is the Shapley Value (Shapley, 1953), it, unlike the first stage, can be interpreted as a distributive principle based on the *relative merit*, as proportional to the contributions that each individual brings to the production of cooperative surplus.

Considering the sequence of the solutions prescribed in the two games, you can reason backwards (backward induction) going from the final sub-game to the initial one. In this perspective each player calculates his/her payoff on the base of the different levels of investment (the value of which is influenced by how much is guaranteed by the constitution) and chooses, within the strategies permitted by the constitution, the one that will allow him to get higher payoffs. Each post-constitutional game has a unique bargaining solution; this information can be used to select the constitution. Going back at the first stage, you can expect that every constitution must correspond to a given solution of the next sub-game. Finally, at the first stage, the choice is based on the correspondence between the final allocation of payoffs and the maximization of the Nash product with respect to all the possible outcomes of all constitutions.

In the case of a symmetrical set of possible outcomes of the constitutions, the Nash solution implies a symmetric distribution. In other words, although the second game payments are allocated according to the Shapley Value (i.e. based on the relative contributions), in the perspective of the constitutional game, the

solution of the chosen sub-game is the one whose final allocation over all final allocations alternatives (of payoff) (associated with other constitutions) satisfies the maximization of the Nash product of bargaining, i.e. (in a symmetric case) that equally distributes the payoffs⁷.

If needs are almost equal, is reasonable to think that the initial allocation of rights and fundamental resources (and capabilities) is symmetrical between the parties, so as to induce equal contributions (unless a voluntary choice to contribute sub-optimally). The impact of talent on the final distribution may be relevant only if they were added as further causal factor than the fundamental distribution (approximately equal) of the primary goods and capabilities. In the light of proportionality to the *relative need* as the criterion for allocation constitutional, this would, however, be irrational, because diversity of talent exactly imply the existence of more or less urgent needs (the person with less talent would proportionally have more need of a resource in order to achieve the same result) and therefore imply an unequal distribution of resources in order to bridge the difference in talent and allow to reach the same final satisfaction. In general, we can therefore assume that (unless the compensation to overcome inequalities in allocations initials of the talents) the constitution are responsible for the distribution of resources, rights, and then decisional rights and authority relatively egalitarian.

However, governance structures more realistically do not distribute the authority (understood as the residual control right) to all components in the same proportion. Actually, feasible allocations in organizations are those that allocate authority in the hands of one part or another, in this way, protecting, mainly the owner's investment (unilateral allocation on ownership and control). Nevertheless, such allocations must be mutually acceptable to the parties (the authority must be legitimized by the point of view of each part), then the inequality in the distribution of the property must correspond to a form of mutually accepted *redress*, i.e. a compensation in terms of payoff distributed ex ante, or a balance between different rights (rights to govern, supervise, know, block etc..), which aims to make acceptable the allocation of authority (in accordance with the criterion of relative need). For example, allocating to the non-controlling part a right of supervision and transparency and information, in others words, a right that enable the subject to verify that benefits of residual decisions turns also in his/her favor, and if necessary, to use some last resort in front of a systematic deviation from compliance with fiduciary duties.

This leads us to consider the redress in terms of Corporate Social responsibility (Sacconi, 2005a), namely that the legitimacy of unilateral allocation is guaranteed by the presence of fiduciary duties to all stakeholders, duties that establish obligations on controlling stakeholders' shoulders (Sacconi, 2010a), solving the problem of the abuse of authority. These can be summarized as follows:

1. Guarantee the participation in the distribution of the surplus generated by cooperation (for stakeholders in the strict sense), no negative externalities for others;
2. Be accountable towards non-controlling stakeholders;

⁷ Here the assumption that allow the symmetry is connected to the hypothesis that every logically possible constitution is considered feasible (Utopian case) (Sacconi, 2010,p.219)

3. Recognize the right of non-controlling stakeholders to be represented in governing bodies in order to effectively supervise the enforcement of fiduciary duties by the controlling stakeholders.

Of great interest are the implications of this result in terms of governance structure, the delegation of authority to a class of stakeholders is legitimated by the presence of fiduciary duties. The system of governance can therefore be defined as "extended fiduciary duties model of corporate governance" (Sacconi, 2004, 2006a, 2007b, 2010a).

3. The university in the new-institutional approach and the model of multi-stakeholder governance

3.1. The university between specific investments and essentiality

In the first section we presented two definitions of organization based on the concept of team production between holders of *specific investment* (Williamson, 1975) and *cognitive assets* (Aoki, 2010). These two terms bring particularly appropriate theoretical concepts to the academic context in which the centrality of cognitive assets (teachers and students, in particular) and the specific investment made by them in specific knowledge is essential for the production of teaching and research. Besides the production of teaching and research, also the formation of social capital falls under the institutional mission of universities, in what is known *third mission*, that is, the generation of networks of fiduciary relationships that allow in all fields the exploitation of knowledge and innovation thanks to the credibility of the university itself. Some types of specific investments involved in higher education deals with scientific researches that may require very expensive equipment, laboratories, and personnel that cannot be easily replicated elsewhere except at large cost. Also research that addresses a particular local issue (for example, the state of the local economy) may also be location specific, as well as courses designed for a particular institution's programs. Furthermore research projects are mostly a team work, hence a professor may need the help of various individuals to make a research project valued, this involve investment of time and effort within a project that an institution previously approved. Once scientific discovery became valuable (and marketable) it's no longer "institution-specific". But the process behind: experiments, team of researcher, and all the investments that possibly led to a new discovery are highly specific to the institution that decided to invest in the project.

Furthermore, like those organization, in universities individuals cooperate to produce teaching and research and is characterized by the presence of incomplete contracts and by the particular nature of *credence good* of the outcome (Sacconi and Tamborini, 2013), that is, a good whose quality cannot be ascertained by the consumer even after the use, the result is a fiduciary relationship that you must have with those who supply it.

In respect to governance, despite the hierarchical governance structure of private firms, universities have traditionally been self-governed and independent institutions, without an owner in the strict sense, and have, in fact, an organizational structure closer to a shared model. In other words, there is no unilateral allocation authority typical of the private sector, although in the national and international debate on the subject, there's an attempt to turn towards a system based on the external control. This vision is attributable to the principal-agent model, which "focuses on work incentives under asymmetric information" (Groenblom and Willner, 2009), so that although the principal cannot directly observe the effort and the characteristics of the agent, he/she can establish contingent clauses on ex-post observable results (e.g. level of output produced

or o share value). The potential opportunism of the agent is thus reduced by establishing incentive-based contracts on the results, a probable consequence of this logic is the following system of governance: the Ministry, acting as a principal, establishes with university's multiple agents incentive contracts contingent on results. The results are ex ante uncertain but linked with a certain probability to a more or less efficient conduct; this allows the remuneration of the universities on the basis of the control of results ex post observable with certainty (and statistically correlated with the conduct implemented/adopted). In this way most deserving university is more likely to be rewarded (and thus incentivized). Unfortunately, it is good to keep in mind that in a context of incomplete contracts and difficulty in assessing the output (research and training) the basis of the principal-agent models lack, namely the ex-ante predictability of possible states and outcomes together with the ex-post verifiability. On the contrary, the risk of abuse of authority that emerges in presence of incomplete contracts and renegotiation of contracts (for example, between the ministry and universities) causes the destruction of incentives to invest in specific resources⁸.

A solution to the governance problem in alternative to the principal-agent model of governance, is represented by the multi-stakeholder governance model, in which the university is basically an autonomous institution, bounded by fiduciary duties to its stakeholders that derive from the fair social contract among all stakeholders, and whose governance makes effective such fiduciary duties, and related obligations of accountability. Fiduciary duties correspond to legitimate claim of non-controlling stakeholders that the institutions should be run also to their benefit. The organization structure should enable the exercise of this claim. Fiduciaries duties can be: decisional criteria, boundaries on authority, participation rights of stakeholders, information rights, due diligence, no conflict of interests. The idea behind is that of a fiduciary relationship: stakeholders delegate the authority to run the institution for their benefit. And the answer to the problem of abuse of authority is represented by the existence of these duties. This should allow fairly balance the interests of different stakeholders, while maintaining the incentives to carry out the core functions of the university.

In this regard, it is worth remembering the first goal of the universities to produce teaching and research through cooperation among those that can be defined as the constitutive subjects, namely teachers and researchers carrying out investments in knowledge required for this purpose. At the same time, these actors confront with a multiplicity of actors who hold a legitimate interest in the conduct of the university, including students, technical-administrative staff, national and local public institutions, national and international scientific community, families, citizens, funders (foundations, other banking institutions), firms, and suppliers. The echo on the governance structure is straightforward: the strong role of the university community must take into account the multiple interests of stakeholders, i.e. individuals and groups of individuals who have a vital interest "at stake" in the conduct of the organization (Sacconi, 2008).

3.2. The two-stage model in the university context

In this section we propose an application of the theory of the social contract exposed in the previous section to the university context. In particular, the university is seen as an organization that distributes initial endowment of *primary goods* and *capabilities* that allow the realization of the *functioning* of a set of stakeholders.

⁸ In addition to this, an excessive weight given to the rated output, such as the number of publications, can have distorting effects (Osterloch, 2010; Frey, 2003).

According to the model of a social contract in two stages (constitutional and post-constitutional) the university should first of all distribute *primary goods* and *create capabilities* on the basis of the *relative need* criteria (first stage), defined as need for a set of primary good and capabilities with respect the different plans of life that each member of the university community or each external stakeholder (both of them considered behind the "veil of ignorance") may happen to hold: the different plans of life that students and their families may aim to by means of higher education programs, the different plans of life that citizen in a given territory may plan to pursue by means of application of knowledge, training and research developed by universities, the many different research and teaching programs according to which scholars, researchers and teacher may aim to develop their intellectual life along their carriers. Each plan of life needs means, needs are expressed through interpersonally comparable utilities in terms of how functional a primary good and capability set is in order to pursue those possible plans of life. Some examples in the university context are the needs of training for developing professional capabilities, research capabilities, teaching capabilities, technological innovative and entrepreneurial capabilities, and the capability to establish trust relations supportive for local development. These capabilities include not only the goods you need in order to decide to *function* in a certain activity, but also the decision right to use of certain goods and certain subjective abilities.

To understand the constitutional level choice for the university as an institution, we can think to a hypothetical collective deliberation over the approval of the university statute in an ideal state of nature. More in detail, a statute establishes the rights that each stakeholder of the university holds whereby she/he may later on (in the post-constitutional stage) participate with his/her own activity to realize the mission of the university. At the constitutional stage stakeholders decide unanimously behind a "veil of ignorance" about rights, that are mainly – but not only - positive rights or capabilities. The capability to be part of many activities and to make decisions that are relevant to them, in order to appropriately function as teachers, researchers, students, users of research results and users of culture and technology. At this point should be clear that we refer not only to the availability of material means designed for teaching and doing research or for studying (scholarships, services, student house, etc..), but also (at least for some of them) to the ability to take or participate in decisions concerning programs and research projects, planning and organization of teaching, active participation in educational activities, the ability to use the results of research in practical applications, and the right (modeled according to each possible statute) to participate in the strategic decisions of the university, for example through the election of representatives in governing bodies which decide on the distribution of benefits and allocation of resources among alternative uses.

It should be noted, however, that stakeholders (for example, students, researchers or teachers) join the university with a need for tools and capability to pursue their plan of life and achieve functioning. At the same time, they voluntarily contribute to the realization of these functioning (i.e. the transformation of capabilities into functioning that fit the excellence requirement of the university activities), thus "deserving" results in terms of payoff. These payoffs can be partly consist in final states of well-being (with component both instrumental and intrinsic) and partly in the acquisition of additional capabilities for further functioning. Think of the students at all levels, that take advantage of the opportunities (in terms of capabilities) offered by the university in order to function properly as a student and, at the end of the course, therefore acquire additional skills for their future functioning in the respective professions. Or think of the local communities that, due to the university, are equipped with technological skills and cultural activities for the implementation

of activities in many different sectors of economic and social development. Finally, think of young researchers, through the opportunities (capabilities and primary goods) offered by the university, they contribute to basic research, which opens up to them the opportunity (in the sense of capabilities) for further development of scientific careers in other universities etc..

Given each university statute (allocation of rights / capabilities), a cooperative post-constitutional game take place (second stage). In this stage university members or stakeholder participates in multiple forms of cooperation (projects research, educational programs, technology transfer programs or dissemination etc...). In that way they contribute to the result of these activities through the use of their rights/capability that are statutorily guaranteed. The final distribution of payoffs (which, as mentioned, some are additional capabilities themselves) is a share of the value created that is proportional to the contribution (or about), contribution that is conditional to resources and rights/capabilities they possess.

Therefore, from the point of view of constitutional choice, the statute will be chosen that - through the final distribution of payoffs contribution-based – also allocates final results according to the *relative needs* criteria. Endowments and capabilities provided according to the relative need criterion are transformed into functioning that contributes to the achievement of the university missions (teaching, researching and the third mission of helping local development). This transformation is feasible thanks to voluntary choices, thus it is necessary that the statute allows that everyone can exercise rights and capacity in an autonomous and voluntary way. Thus, if he/her contributes efficiently he/she can get a proportionate share of final result (which then preserves the proportionality relative to need and then is reflected in the proportionality to the contribution). In the university setting, most deserving faculty and researchers will receive a share of the value created according to the contribution given to teaching and research, in the same way the local community will receive a return in terms of benefits proportional to its willingness to invest resources.

The model presented captures, in our opinion, two aspects particularly relevant of the university organization, and of the manner in which the capabilities to function in various activities are created with respect to *relative needs* and *relative merit*. More in detail, the university as an institution provides capabilities reflecting needs that each individual has in order to function properly and be able to pursue his/her plan of life, at the same time the outcome of the process of university education is to create second-level capabilities, which should reflect the relative need of each, but this nevertheless can be acquired as a payoff also according to their contribution to the training process. Both of these steps (at the beginning and end of a training process) should reflect the criterion of relative need in the different areas of interaction (the university entered the arena, the entry into the arena of the labor market or the use of discoveries etc...). To illustrate, consider the student whose skills are at the same time the object and subject of the training process and acquires additional capabilities only functioning properly as a student, as a participant in research projects etc.: developing, by a responsible choice, his/her own functioning in a certain specialization, he/she acquires a merit, as long as the achievement of a certain level of competence and its certification is the result, among other things, of his/her responsible choice. His/her functioning in the specialization A also constitutes the new capability to function in a given profession B and this is an essential part of his payoff. The student thus generates a new capability on the basis of merit. Making a step backward, to be able to voluntary choice to correctly function in a specialization A, she/he must have the internal and external capacity, namely the

materials means to the right to education: basic education (e.g. access to appropriate degree programs precondition to graduate courses), the fair access to training offered by each degree, etc.

It is therefore noted that a distributive principle based solely on merit, may not be considered a fundamental aspect of the right to education, an aspect which is caught by the criterion of *relative need* of capabilities. Therefore it is necessary that there is a correspondence between the final outcome (realization of functioning) and the need for initial capabilities. The two important aspects, which emerge in the two-stage model and legitimizing a certain governance structure, are therefore the criterion of *relative need* and *relative merit*. In the two-stage model, if an agent, due to his/her contribution, deserves a result, do that by exploiting a skill that has accumulated thanks to the constitutional criterion of need. Consider, for example, the figure of the researcher, whose plan of life is a program of research that needs an allocation of primary goods and capability, like as the positive freedom to pursue his/her research program. S/he deserves the prestige, as well as the outcomes of his/her contribution, as far as the initial allocation has allocated tools and capabilities proportionally to his/her need in a functional way, so that s/he have been able to develop and invest his/her human capital in a functional way to reach such results. In other words, each individual must be given the opportunity to "earn" a part of the joint surplus.

Actually, egalitarian allocations of authority (residual decision rights) in the hands of all subjects are difficult to achieve, on the other hand the feasible solution seems to be the asymmetric allocations, that is, different veto power placed in the hands of several different subjects. For example, governance structure in which the decision-making power is in the hands of such as professors, students, administrators external to local stakeholders, etc., appear unrealistic and probably not able to reflect the relative importance of skills and investment of these stakeholders. However, a non-symmetrical structure, to be accepted by the parties that are subject to the authority must involve a balance so that the agreement is mutually beneficial. In other words, a form of compensation is needed for the purpose of protecting the interests of other parties, avoiding in this way, the abuse of authority.

To make an example, if the power were allocated in the hands of outside directors, the abuse of authority would have consisted in putting too much weight on short-term initiatives, losing in this way basic research in favor of the needs of the local community. More specifically, they may give more importance to programs of basic training at the expense of investment in research, or strengthen policies for the formation of figures basic working professionals rather than innovative. Similarly, if the power were allocated in the hands of teachers, without providing forms of balance, this would have increased the risk of a proliferation of courses, locations, aimed at reaching personal goals.

The solution is therefore to protect the incentive to invest of the part making the bigger specific investment and to avoid the abuse of authority of the controlling part. That is to say, to the asymmetry in the allocation of property corresponds a balancing to restore the fair solution. In other words, rather than compensate for the part in monetary terms, a possible solution is represented by redress in the form of balanced allocation of rights that allow the access to the benefits of the organization, namely, veto power can block decisions which could lead to an expropriation of the investment value accompanied by the allocation of the power of monitoring to stakeholders who hold the financial resources.

This solution seems also to be coherent with the considerations on the essentialities of cognitive assets. In particular, in the university context decisional variables seem to be complementary (rather than competitive), think to the inefficiency due to a lack of coordination between teaching and research due to dissimilar decisions made by administrators and faculty. Accordingly, the decisions should be communicated and shared rather than the result of a separated process. In the model of governance that better fit this mode of *associational cognition* the power is in the hand of the constitutive subjects (considering the essentiality of the resources) balanced by a control role of the donors.

4. The forthcoming empirical research

The starting point is the survey on governance in Higher Education submitted to US universities by the AAUP in 1970 and replicated by Kaplan in 2001. The data generated were used by Masten respectively in 2006 and in 2013. A forthcoming empirical research, replicating the two presented by Masten for US universities, is here suggested, as it is aimed at understanding how the decision-making power is actually distributed in Italy⁹. In the case of Italy what is interesting is providing empirical evidences on how organizational forms, in responding to coexisting law imperatives and informal arrangements, really work. In a previous work (Fia and Verde, 2013) we analyze the changes occurred in the governance structure of Italian universities as result of the legal framework provided by the so called “Gelmini Act ” (l.240/2010). The governance architecture that emerged is far from the principal-agent model suggested by NPM (external control and contractual relation with administrators), at the same time it doesn’t reflect checks and balances mechanism. The governance model prescribed by the law and the following statutes still resemble a model of academic autonomy in which State plays a fundamental role on the internal matters (i.e. students’ fees and employment procedures, promotions through the “abilitazione scientifica nazionale”(art 16, law 240/2010), a system for the qualification of the faculty status). More in detail, the transfer of decisional matter from Senate to Board and the strengthening of Rector’s powers can still be brought back to the faculty. To be more precise the faculty elect the Rector among full professors on duty in Italian Universities and, through its representative the faculty somewhat influence the appointment of board members (both internal and external)¹⁰. Nevertheless, by taking in account the peculiarity of the Italian system, we aim at providing useful data on the state of health of universities and deeper insight on how universities are actually run.

In other words, we investigate how the decisional rights actually work, to which forces at play they respond and if there’s any similarity with the model formulated in this essay. In particular we want to test if universities adopt a pattern of democratic governance despite the policy trajectories of its reformer, where democracy create fair trade-offs between different interests and powers and prevent the abuse of authority, or vice versa. In sum, empirical evidences helps in the understanding of the ongoing transformations in the governance structure, trying to determine which of the two models is more descriptively founded and the is the room for improvement¹¹.

⁹ future investigation is aimed at broadens the horizon of this empirical research also to the UK, as it is considered a reference point from many reformers.

¹⁰ See the information on statutes approved provided by CRUI <http://www.cru.it/HomePage.aspx?ref=2020>

¹¹ C’è anche un altro aspetto che potrebbe essere tenuto in considerazione: laddove il finanziamento pubblico va sempre riducendosi e parte dei i fondi per la ricerca sono attribuiti a livello europeo come questo influisca sulla governance è un aspetto rilevate. Se il finanziatore è sia lo Stato sia i singoli gruppi di ricerca attraverso bandi europei come cambiano gli equilibri?

The main issues we want to investigate:

- Is there any trade-off between powers at stake, which are the interested protected?
- Who has the power over each decision typology, are those decisions allocated unilaterally to a group or do they reflect a balance between interests at stake?
- To which extent the ministerial implementation regulations constraint the real autonomy?
- Does the distribution of power reflect specific investments and essentiality of assets? This seems particularly useful in order to study those decisions in which assets can be reciprocally essential or not.

Further interesting aspects:

- Are there any differences among large universities and small, private or public, higher education institutions with special order or online university, catholic or not? Do these differences can be attributed to different interest at stake? Despite a substantial formal homogeneity imposed by the national law are there differences among institutions?¹²
- What is the role of external members in the board?
- Does the current system can be considered balanced one?
- What is the reaction if any of those rights is violated?
- The Board has ever exercised its veto power over the rector's proposal?
- Answers can be given with respect to last 3 years and considering a different time horizon
- Investigate the dynamics of decisional making process after the Gelmini Act . What are the current decisional power and do the veto powers are used by the Board as prescribed in the following table? From the table emerge that the board has the ultimate authority, at the same time in the analysis it should be taken in account that members (internal and external) are designated by procedures influenced by Rector and Senate. Empirical data can bring light into the understanding of the real practices behind the formal power allocation.

Law 240/2010	Board		President		Senate
Documento di programmazione triennale di Ateneo /	Approves	<	Submits	<	Opinion on teaching matter, research and students' services

¹² The Italian system is composed by:

- 67 public university
- 29 private university
- 9 higher education institutions with special order (istituti superiori a ordinamento special)
- 11 online university

In 2006 Masten focuses on the relationship between governance structure and typology of institutions ,as US context provided a differentiation among university based on characteristics of heterogeneity, mobility and interest of patrons that are useful for commitment theory.

Bilancio di previsione annuale e triennale	Approves	<	Submits	<	Opinion on teaching matter, research and students' services
Conto consultivo	Approves	<	Submits	<	Opinion on teaching matter, research and students' services
Attivazione o soppressione corsi	Approves	<	-	<	Submits
Direttore generale	Assigns	<	Submits	<	Opinion
Codice etico	Opinion	>	-	>	Approves
Regolamenti in materia di didattica e ricerca	Favorable reception	>	-	>	Approves (upon favorable reception by the board)

In order to understand if there's any trade-off between powers at stake and which are the interested protected the focus of the empirical research can be to analyze how the forms of governance vary among decision type, in other words we want to focus on the internal dynamics governing the academia.

The survey below represent a preliminary proposal, please note that we want to maintain a certain level of comparability by taking in account the diversity among the two systems.

In fact, some questions can be answered by analyzing the law and statutes others require the expertise of individuals actually involved in the management of the academia. Furthermore what seems interesting is also enlarge the set of questions in order to capture the practices implemented in situations where a violation of a decisional rights occur, or the motivations that characterize the faculty with respect to different stage of their career, or different type of affiliation (to public university, private, etc.), how they perceive the State control over the academia, etc... In particular, we maintain the main structure of the survey by dividing the questions by decisions typologies over certain areas.

Below the questions to which head of the faculty governance body (or someone delegated) should answer by filling in the relevant box the percentage of faculty whose participation in the decision takes the form indicated (sum max 100%). Determination (faculty authority and determination); Joint action (Between faculty and administration); Consultation (administration consults with the faculty); Discussion (Administration explains policies taken to faculty); None (no faculty participation).

Please note that the questionnaire submitted to American universities was followed by a Glossary and by the Specification of question items and variables.

Questionnaire on forms of Faculty participation:

IN FILLING OUT THE QUESTIONNAIRE PLEASE GIVE THE PERCENTAGE OF THE TOTAL FACULTY WHICH BELONGS TO ACADEMIC UNITS OF THE INSTITUTION IN WHICH THE PARTICIPATION OF FACULTY IN THE LISTED DECISION TAKES THE FORM INDICATED¹³. Note that the sum of the figures on each horizontal line of the questionnaire should be 100 (for Questions 1-31)

For example, if, in the selection of department chairmen, 25 per cent of the faculty are in departments which have chairmen appointed unilaterally by the administration, 60 per cent in departments with chairmen appointed by the administration after consultation with the faculty, and 15 per cent in departments with chairmen elected by the department members, then the responses to Question 16 would appear as follows:

			Administrator determination		
	Faculty determination	Joint action	Consultation	Discussion	None
Selection of department chair or head	15	0	60	0	25

Faculty status

1. Appointments
Note: decided by the institution but with some constraint (see. Punti organico, no more than 20%)
2. Reappointments and renewals
3. Promotions
Note: ANVUR- abilitazioni nazionali
4. Tenure
Note: here in Italy the mechanism is quite different
5. Dismissal for cause

Academic Operation

6. Curriculum
7. Degree requirements
8. Academic performance of students

Academic Planning and Policy

9. Types of degree offered
Note: Documento di programmazione triennale see table 1
10. Establishment of new educational programs
Note: documento di programmazione triennale see table 1

¹³ Respondent are asked to report the percent of faculty in their institution governed by each governance form

11. Admission requirements
12. Relative staff-size of disciplines
13. Programs for building and facilities

Tab. 1 The formal decisional procedure on Academic planning as designed by the bill recently approved.

Law 240/2010	Board		Rector		Senate
Documento di programmazione triennale di Ateneo	Approval	<	Propone	<	Da pareri in materia di didattica, ricerca e servizi agli studenti

Selection of Administrator and Department Chairmen

14. President
Note: elected by the faculty
15. Academic deans
Note: in Italy this figure does not correspond to the deans existing before Gelmini Bill, to which figure can they be associated with ?
16. Department Chairmen

Financial planning and policy

17. Individual faculty salaries
Note: fixed only by the State?
18. Individual faculty salaries
19. Short range-budgetary planning (1-3 years)
Note: this can be associated to the see table 2
20. Long range budgetary planning
Note: To which document can this be associated with?

Tab. 2. The formal decisional procedure on budgetary planning in Italian universities as designed by the law recently approved.

Law 240/2010	Board		Rector		Senate
Bilancio di previsione annuale e triennale	Approva	<	Propone	<	??

Professional duties

21. Average teaching loads
22. Teaching assignments

Organization of faculty agencies

Note: Italian universities have kind of commissions, ie. Roma la Sapienza has the following commissions: Grandi attrezzature scientifiche, Brevetti, Convegni e congressi, Didattica, Grandi scavi archeologici, Iniziative disabili, Innovazione della Ricerca e delle Tecnologie, Commissione mista Centri e Consorzi, Questioni edilizie, Ricerca scientifica, Sicurezza, Studenti.

Here we can also ask for number of commissions and main area covered.

The questions in AAUP questionnaire asked for counting the number of committees which deal with faculty status, academic operation, academic planning and policy, selection of administrators, financial planning and policy, and student affairs. Determine what percentage of the total number of committees were established by each form of faculty participation. If a committee does not exist to deal with one of these categories (or if it is not dealt with by the faculty as a whole) then the form of faculty participation should be counted as though there were a committee for that category.

23. Specification of the organization, duties, and authority of departmental committees and other similar agencies. Membership of departmental committees and similar agencies
24. Authority of faculty in government
25. Specification of the organization, duties, and authority of institution-wide committees, senate, and similar agencies
26. Membership selection on institution-wide committees, senate, and similar agencies

Students activities/affairs

27. Academic discipline
28. Specification of student extracurricular rules
29. Extracurricular behavior
30. Student role in institutional government

Conclusive remarks

The definition of the University examined in light of the theories of the firm, has highlighted two elements that should be taken into account in the definition of a governance structure, namely the presence of specific investments of professors and students as well as the essentiality of cognitive assets. These features are fundamental in a context of contractual incompleteness and difficulty in assessing the output produced (research and training), in which the problem of the abuse of authority causes the destruction of the incentives to invest.

Therefore, after defining the role of the University adopting a multi-stakeholder perspective, describing in a simplified multi-objective function of a university "socially responsible", through the idea of fiduciary

duties towards non-controlling stakeholders, we presented a normative model of governance that reflect the considerations.

The empirical part of this essay presents interesting data on the US universities, showing that their governance is in part closer to a constitutional order of checks and balances of a constitutional democracy, thus providing evidences challenging the conventional assumption that universities should be “run like firms”.

In the case of Italy what is interesting is providing empirical evidences on how organizational forms, in responding to coexisting law imperatives and informal arrangements, really work. The preliminary research proposal aim at creating a data in order to understand if there’s any trade-off between powers at stake and which are the interested protected, the focus is on the internal dynamics governing the academia. The proposal aims at maintaining a certain level of comparability with the questionnaire on US universities, but in the meantime taking into account the diversity among the two systems. Future investigation is aimed at broadens the horizon of this empirical research also to the UK, as it is considered a reference point from many reformers

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