

What Future for Social Reporting and Accountability in Academic Systems. An Overview of the Italian Case

Paolo RICCI¹

Abstract

The present work aims to give an overview of accountability systems in Italian universities and of their prospects following recent reform laws. After a sketch of pre-reform conditions and of the rationale behind change, particularly focused on the improvement of non-financial communication towards stakeholders, the work deals with social reporting in academic research and education, its potential developments and the first results reached. Further work is still needed to fully grasp measurement complexities and the potential lying in the evaluation of academic performance – especially with relation to sociality and sustainability – that plays an important role in national and international ranking systems.

Keywords: *Social reporting; Accountability; University System; Performance.*

JEL classification: I23, M14

Introduction

The recent Italian University Bill, passed in December 2010, is part of a wider reform process involving the entire public administration in Italy. Such process, that started in the early '90s and has practically never stopped since, regards accounting systems, governance, monitoring and evaluation. What follows cannot of course overlook and underestimate the peculiarities marking university systems within the public administration. We can mention here the three qualities that are always required in a scholar or scientist, the foremost figures in research and education, and therefore in the academic system as a whole: vocation, genius, personality (Weber, 1919). The process involving the Italian university system starts and gets stronger following a series of decisions taken by the EU, decisions that have become specific strategic and planning actions within national reform plans of individual member States. In March 2000, heads of State and PMs of EU member States started the so-called 'Lisbon strategy', whose main goal was to make the European economy increasingly based on knowledge and competence, that were supposed to become more competitive and dynamic in order to strengthen the European economy in the global scenario by 2010. Years of crisis and political factors have significantly slowed such action. The same view is also maintained in the main papers produced by OECD, according to which the

¹ Paolo RICCI, Full Professor of Public Sector Accounting, University of Sannio – Benevento, Italy, E-mail: ricci@unisannio.it, Telephone: +39 0824 305752, Fax: +39 0824 305703

knowledge factor has an increasing influence on economic competitiveness and therefore on the growth of individual countries (OECD, 1996). A knowledge-based economy, in fact, cannot underestimate the strategic importance and the role played by universities and research centers, both seen as true engines of economic development and key progress factors in democratic systems. Universities, as producers and transmitters of knowledge, are essential to determine civil, economic and social development conditions of a country. The European strategy in this field is based on three pillars (Gazzola, 2010, pp.55-56): 1) the Bologna process, named after the Declaration signed in the same city by education ministers of 29 European countries in 1999, with the aim to create a European area for higher education, 2) the Ljubljana Process, aiming to create a European research area by promoting the free movement of researchers and to rationalize and co-ordinate European national and regional research programs, and 3) a set of initiatives aimed at developing a European area for learning and lifelong education. The reform law n. 240, 30 December 2010, in the pursue of real and not merely formal change (on real change, of either first or second level, see above all Watzlawick et al., 1973), one that would also be long-lasting, profitable and involve university management in the Italian system at any level, introduced significant changes in how universities work in Italy, that we can group in three categories:

- (1) of identity,
- (2) of governance,
- (3) of accountability.

Changes of identity refer to basic aspects of the university system: founding principles and purpose of the system, preeminent mission of universities. These measures mainly tend to emphasize the ultimate goal of universities in an attempt, which of course will have to be tested, to focus on their core functions, that can be summarized as follows: research, education and transmission of knowledge, provision of services to innovation. Indeed, the political and legislative debate that preceded the reform, focusing on what a university should be or should do, has not enjoyed much luck in terms of time and space leaving, in our opinion, quite a few doubts on the very identity of Italian universities, on their attitude to inter-institutional cooperation in federal perspective, on their role in the current social and political context, on their importance in the promotion of national scientific and cultural progress.

Changes related to governance contemplate, on the other hand, very targeted and specific measures regarding governing bodies, their capacity and the main rules at the basis of their operation and evaluation. The aim is to encourage universities to define new models of organization and strategic decision-making processes, in independent fashion but under specific constraints and within specified limits. Such new models should be more efficient than the previous ones and should be firmly based on principles of new managerialism and entrepreneurship (on these issues, see the following interesting studies: Angluin and Scapens 2000, p. 9; Deem 2003, p. 242). Being malicious, one might say that not being able to privatize at once the entities, the Italian legislator tried to push

towards privatization of the governance importing principles, resources, skills and methods more likely found in the private sector.

Finally, changes affecting the system of accountability (on accountability, see among others: Sinclair 1995; Gray, Owen and Adams 1996; Mulgan 2000; Gray 2002; Messner 2009; Roberts 2009; Pezzani 2003; Ricci 2005) widen the range of instruments aimed at measuring, monitoring and evaluating management: good examples, albeit in different ways, are the introduction on the one hand of financial and capital accounting and on the other hand of analytical accounting, and the creation of the ethical code. The main goal is therefore increasing the quality and quantity of tools a university can use to measure - and report about - its activities to third parties. However this means, as we shall see, that the autonomy needed to compete properly comes at a price that is accountability. Greater autonomy and greater accountability can, for example, improve the opportunities for fundraising, clarify the rationale behind fee increases, or improve relations with other bodies or institutions. Here we can also understand the bias the reform implicitly holds towards the current accounting system based solely on commitment – or for obligations – accounting. Leaving aside changes related to the first two types of intervention, although well aware of the vital connections existing among all the measures adopted, we shall focus on accountability issues and, in particular, on how the reform tends to significantly widen the reporting system of Italian universities, aiming at greater transparency and intelligibility of business results, and on the first Italian experiences of new forms of accountability. The research methodology used, based on observed cases analysis and content analysis, provides us with an interesting overview of the state-of-the-art and allows us to make some preliminary assessments about what lies behind the behavior that universities should adopt according to the reform. After a brief review of the reform content and an analysis of the most relevant literature regarding the topic, we shall address and compare Italian experiences of social reporting, examining the universities involved according to their position in the two existing national rankings. Looking more closely at the reform content, however, it is interesting to notice how it calls for: a) the revision of accounting rules, in order to ensure consistency with the university three-year plan, greater transparency and homogeneity, and to allow a proper evaluation of university assets and of its overall management; b) the introduction of a financial and analytical accounting system and of individual and consolidated financial statements based on specific accounting principles and guidelines that will lead to the preparation of a budget and a financial accounting report, in order to allow the proper monitoring of public administrations' accounts; c) the adoption of an ethic code for the individual academic community that includes teaching and research staff, technical and administrative staff and university students. Such code will determine the fundamental values of the community, promote the acknowledgement and respect of individual rights and the acceptance of duties and responsibilities towards the institution one is part of, through its fundamental norms of conduct that are meant to be valid within the community.

1. Reform pressures and the need for accountability in Italian universities

Pressures that come from far back have produced many and different minireforms in Italy during the past twenty years (from the names of the ministers who proposed them, we can mention here the 'Berlinguer', 'Zecchino', 'Moratti' and 'Gelmini' reforms) concerning, *inter alia*, the course offer, status and recruitment of professors, teaching assessment and research standards. Without going into too much detail about the forces behind the process of legislative reform, we can examine some aspects that better than others can help us understand the rationale behind the legislator's intention to take action on accountability. The nature of accountability is mainly public, and it is its very nature that has made this notion so important within the overall reform of the university system. Accountability systems - aimed at rendering account by those who administer to those who are administered - originated from the dynamic of democracy and responsibility and refer to the right/duty to inform that develops in companies where public money is used, regardless of the complexity and indefinability of their form and content (Sinclair 1995, 224) or of their intrinsic limits (Messner 2009, p.924; Roberts 2009, pp.968-969). There has been recently much debate around the notions of autonomy and durability in Italian universities despite, or because of, a prolonged political and social delegitimation process whose main result is that public confidence in the Italian university system and its members has been at rock bottom for a while. A wide range of political, journalistic but also scientific literature, containing strong arguments and in some cases sterile criticism, is part of a process that has helped erode the Italian university system in its very foundations (Simone 1993; Abruzzese, De Michelis and Galli della Loggia 1997; Morcellini and Martino 2005; Pellini 2006; Perotti 2008). The main charges and consequent verdicts regard the rating of the Italian university system, that many depict as a negative triple-A: anarchia (anarchy, instead of autonomy), autoreferenzialità (excessive self-reliance and isolation, especially from a scientific point of view), autoconservazione (self-preservation, with relation to governance). Decreasing public resources, low productivity of the human capital, increasing competitiveness of international markets, increasing competition among public universities and between those and private ones (particularly after the introduction of online universities), are just some of the main reasons at the basis of a renewed interest in the topic. Such phenomena, however, have been perceived as real threats, dangerous for the whole country and for the very survival of universities in Italy, rather than as important opportunities, this way putting at risk budget autonomy and business continuity in a very short time. Fears were probably also fueled by strong doubts about the ideological roots of the undergoing changes, and by the resulting concern regarding the risk of going back to a past when research and quality education were only for the rich. But this is not the place to address such fundamental issue.

As a result of this complex phenomenology we can say that the following intertwined factors are back on the agenda of university systems:

- academic reputation;
- inter-institutional cooperation;
- the role of intangibles.

The awareness that the development of knowledge transmission boosts the economy and improves the nation's material and immaterial well-being, helps us understand the legislator's choice.

Academic reputation is a direct consequence of a very large set of elements not easily measurable, or measurable in an arbitrary/excessively discretionary way (Aghion et al. 2010, p.14). There is currently no definition agreed upon, but it is nonetheless possible to relate its meaning to three specific key features: a) individual and collective perception; b) tradition and continuity over time; c) the surrounding economic, civic and cultural context. The academic reputation of a university therefore results from:

- what it produces in terms of research and education, and provides in terms of real services to the reference community;
- how that is perceived, either directly by the users or indirectly by the subjects that inevitably come into contact with the 'producer' or the 'product';
- the ability to maintain this perception intact over time and to continue its activity under ever-changing environmental conditions (either economic, financial, cultural, social or political ones).

Despite the complexity and uncertainty involved in any possible measurement, international rankings are mainly built according to the following parameters: quality of research, graduates' employment rate, amount of resources devoted to teaching, commitment to internationalization, assessments operated by reputable opinion leaders, but also the number of scholars or students who have been awarded the Nobel Prize or the amount of private finance attracted (HEEACT Ranking 2009; Times Higher Education - QS World University Ranking; Webometrics Ranking of World Universities 2008; Academic Ranking of World Universities and Shanghai Jiao Tong University 2008; Censis – La Repubblica 2009, 2010, 2011; Il Sole 24Ore, 2009, 2010, 2011). Of course there are still very important methodological differences behind different rankings, and therefore equally important consequences on the scores attributed to individual universities and their reputation, with obvious legitimacy damage.

Inter-institutional cooperation, apparently a direct consequence of academic reputation, stems from the web of relations the university interweaves with the territory it is part of, often regardless of what is produced in terms of education and research. This form of cooperation is expressed and appreciated also through the consensus that the university enjoys within its reference community. Often it is sufficient to be successful (and sometimes even partially) in just one of the criteria adopted by international or national ranking committees to enjoy consensus and appreciation, to feel empowered to act and to play a significant role

within the reference context. Inter-institutional cooperation is of course boosted by a good academic reputation, but in theory it can also take place when such reputation is not very high or when the elements that shape the relationship with the territory make the university itself play a different role, that is economically and socially relevant and able to guarantee wealth, autonomy and durability. The federal reform will inevitably affect the ability of universities to cooperate, not only by rationalizing the course offer or the services provided to students, but also by making academically excellent facilities more accessible to the public. The phenomenon should be more evident, for example, in those universities that were created to decongest metropolitan universities or to facilitate public cultural investments in depressed or less developed areas of the country. Such 'proximity' universities can also be described as having a 'territorial vocation'. One should not be frightened by this new presence within the Italian university system: for instance, there are currently around 2000 academic entities in the US, with five different types of universities (Carnegie Foundation 2005). Among those, only research and doctoral universities are comparable to their Italian counterparts.

The role of intangibles has also grown considerably in the economics of knowledge (Rullani 2004; Gorz 2003; Putnam 2004; Cartocci 2007). As its main product is knowledge, a university mainly produces intangibles, and through their production and accessibility it provides the conditions for the development and growth of an economy, and those for the civilization of a territory and a population (as to the difference between development and progress, see the illuminating analysis by Pasolini 1975, p.229). On top of that, there is the fundamental relationship between human capital and democracy: the latter cannot work without the former. At the basis of democracy there is culture, especially the humanities (Nussbaum 2010) and a community's civilization. Social reporting in terms of intangibles, that include human, relational and social capital, is again particularly complex and problematic (GBS 2008; Danish Agency for Trade and Industry 2002; GRI 2002, 2006).

The three factors mentioned above all need specific reporting tools that are able to relate in an ethically responsible and credible way the producer (university) with its stakeholders (students, professors, families, the scientific community, local bodies and institutions, businesses, financial operators etc.), that are themselves called to co-produce and co-create value. All three factors considered need appropriate forms of accountability, aimed at the best possible measurement and reporting. That is due to: a) the specific and highly specialized content of the relations that administrators establish with people who are administered, with businesses and with the reference social environment in general; b) the complex value, especially in the medium and long term, of the social and environmental impact of academic activities and investments; c) the sustainability of strategic decisions concerning research and education.

Financial reporting is therefore insufficient, limited and even misleading when it comes to measuring research quality, the impact of education on employment, or social and civic progress: social or sustainability reporting becomes therefore indispensable, something that goes beyond mere financial reporting, widens the original perspective and is able to adequately support assessments on reputation and consensus, on strategies of cooperation and inter-institutional collaboration, on choices regarding intangible assets. It is paramount to revise standard reporting procedures with relation to the three points mentioned above, and in particular to introduce models of social reporting, also seen as a tool to improve relations aimed at: a) correctly identifying all stakeholders; b) clearly defining the interests at stake, not only individual but also collective ones; c) properly defining areas of intervention; d) measuring effects, social setbacks, outcomes, democratic sustainability, all in terms of the individual and public value generated.

2. State of the art of the Italian academic system

The reform has not found all the Italian universities unprepared, at least with regard to accountability and the introduction of new reporting tools. The introduction of social reporting in Italy has followed different approaches, some of them now quite well-established, while others are still at embryonic stage. The Italian literature on the topic is quite wide (Frey 2009; Cassone and Zaccarella 2009; Del Sordo, Pazzi and Siboni 2010; Mion and Melchiori 2011), contrary to what happens in the rest of the world, where the specific literature on the adoption of social accounting in universities is still patchy or scarce (Fonseca et al., 2011; Musyarofah 2011). It should be stressed that the introduction of social reporting in Italy has been facilitated by: 1) cultural sensitivity and strong political will existing inside individual universities; 2) the presence of research groups directly involved in the study of ethics or accountability issues; 3) regulatory interventions promoted by reputable professionals or by the academic world, which have not directly affected the university system, but have nonetheless addressed the issue through the publication of papers, standards, guidelines, accounting principles. Examples regarding such principles are the standards issued since 2001 by various public and private bodies, especially from the public sector: the Milan-based GBS Study Group for social reporting, with its reporting standards for the public sector, issued in 2005, and its document no. 7, regarding social reporting in universities; the Government Directive with guidelines for social reporting, issued in 2006; the Observatory for finance and accounting in local administrations at the Ministry of the Interior, with its guidelines for social reporting, issued in 2007. A study carried out in February 2012 and covering all Italian public universities, allowed us to assess the current situation with relation to social reporting. The methodology adopted was that of the telephone interview following examination of university websites and of official published documents. The first social report is dated 2004, referring to the period 2002/2003.

No doubt all content must be checked case by case, however it is worth stressing that almost all universities declare to refer to a specific standard or guideline. When the documents examined were not proper social reports but mere preliminary or introductory studies, the universities in question stressed that, focusing in particular on the type of commitment taken with their stakeholders or on the dimensional scale involved (single faculty or department, specific activity or strategic function, generic document, ethic charter etc.). These situations are clearly highlighted in the study. Table 1 indicates the cases considered.

Table 1. Social reporting in Italian universities (general overview)

n.	University	First social report (year)	Number of reports so far	Methodology adopted	Time span
1	Università degli Studi di BARI ALDO MORO	2006	2	GBS (exceptions listed in the methodology note)	Triennial (2002-2004); (2007-2009)
2	Politecnico di BARI	Being drafted at the moment of writing	1	To be found	To be found
3	Università degli Studi di BOLOGNA	NO	0	No specific methodology adopted (this being a mere introduction to social reporting)	No specific time span adopted
4	Università degli Studi di CAGLIARI	2006	3	Baccini Directive (GBS in future)	Annual
5	Università degli Studi di FERRARA	2006	5	Baccini Directive; GRI	Annual
6	Università degli Studi di FIRENZE	2006	1	GBS; Baccini Directive; GRI	Annual
7	Università degli Studi di FOGGIA	Being drafted at the moment of writing	1	To be found	To be found

n.	University	First social report (year)	Number of reports so far	Methodology adopted	Time span
8	Università degli Studi di GENOVA	NO	1	No specific methodology adopted (this being a mere introduction to social reporting)	Triennial
9	Università degli Studi INSUBRIA Varese-Como	2007	1	GBS; Baccini Directive; GRI	Annual
10	Università degli Studi di MACERATA	2007	4	GBS; Baccini Directive; GRI; AA 1000	Annual
11	Politecnico di MILANO	2009	1	No indication	Triennial (2006-2008)
12	Università degli Studi del MOLISE	Being drafted at the moment of writing	1	To be found	To be found
13	Università degli Studi di PAVIA	2010	1	GBS	Triennial (2007-2009)
14	Università di PISA	Being drafted at the moment of writing	1	To be found	To be found
15	Scuola Normale Superiore di PISA	Only covers orientation activity	1	No	Triennial (2004-2006)
16	Scuola Sup. di Studi Univ. e Perf. S. Anna di PISA	2004	2	GRI; ABI Guidelines; GBS	Biennial (2002-2003); (2003-2004)
17	Università degli Studi del SALENTO	2012	1	GBS	Biennial (2009-2010)
18	Università degli Studi di SALERNO	2011	1	GBS; Baccini Directive	Triennial (2008-2010)
19	Università degli Studi del SANNIO di BENEVENTO	2006	3	GBS	Biennial (2005-2006); (2007;2008); (2009-2010)
20	Università degli Studi di TRIESTE	2008	2	GBS	Annual

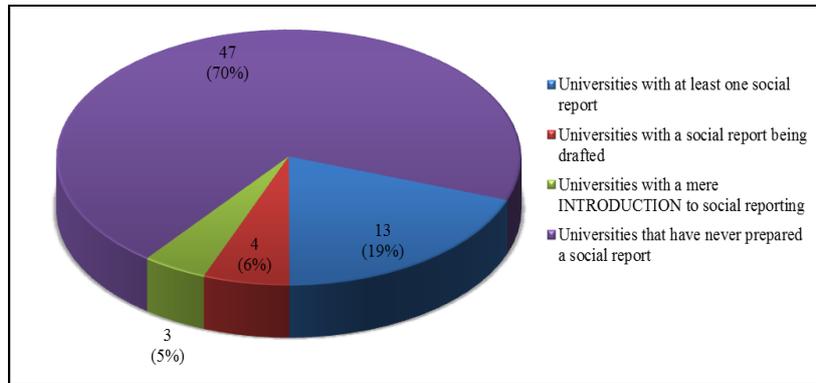


Figure 1. Social reporting in Italian universities (based on number of reports so far)

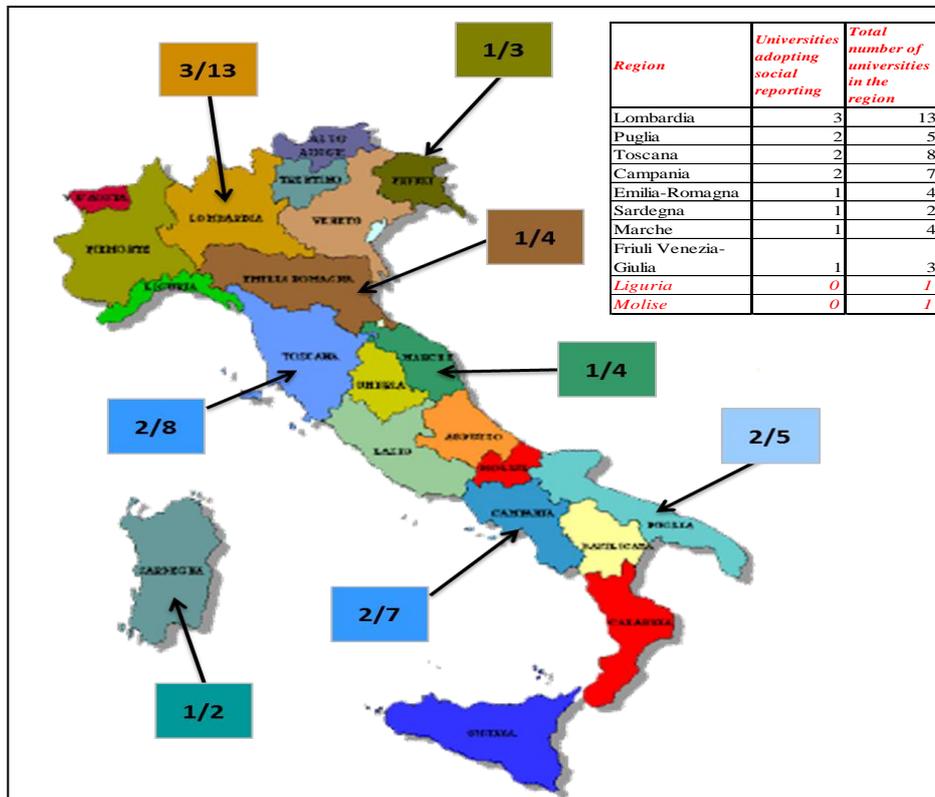


Figure 2. Geographical distribution of Italian universities adopting social reporting systems

Figure 1 shows the overall picture, with a substantial 87% of Italian universities that still does not prepare any social or sustainability report. Figure 2 provides some indications regarding if and how sensitivity to the topic investigated changes according to where the university is based. It is quite clear that in terms of

social accountability there is not a 'southern problem', unlike what has been said for centuries with relation to economy, development and quality of life. As to the methodologies adopted, the picture is on the other hand quite varied, with standards, guidelines and recommendations being similarly used. The GBS standard is currently preeminent, for different reasons: a) it is an Italian standard; b) it is university-specific; c) it is modeled on content and therefore more useful. The results obtained by comparing the rankings of Italian universities that adopt social reporting are also interesting.

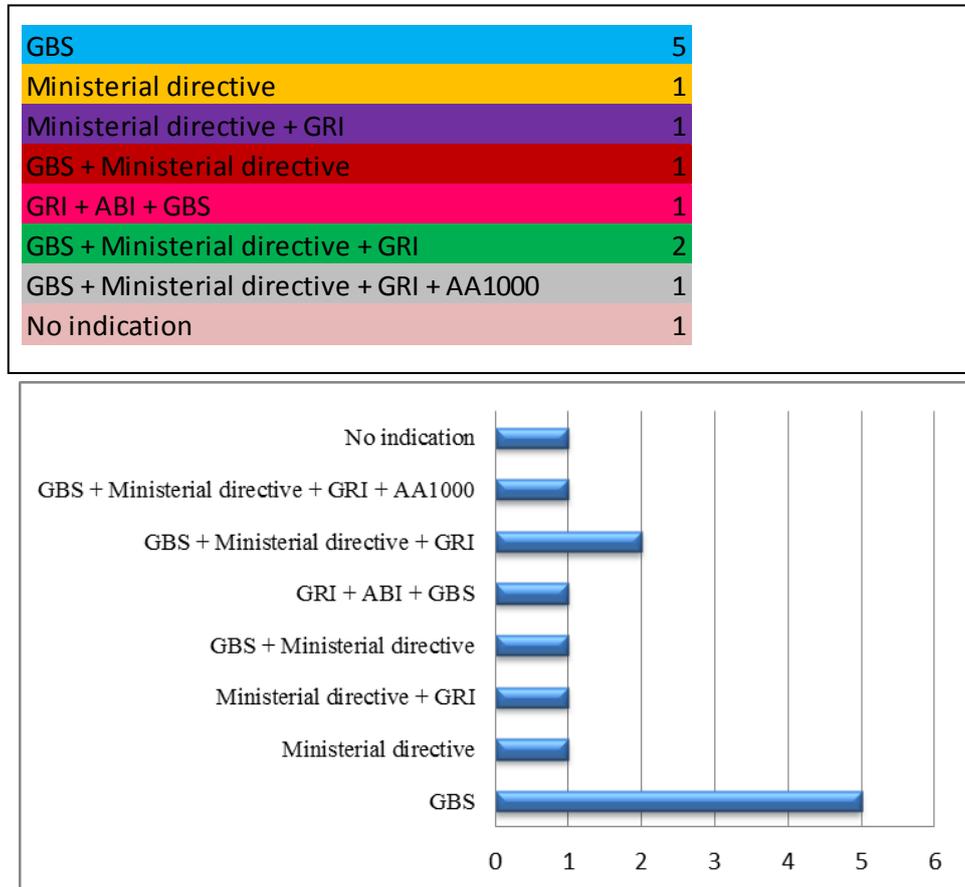


Figure 3. Methodologies adopted by Italian universities with relation to social reporting

Table 2. Relationship between Censis (Centro Studi Investimenti Sociali) ranking and universities adopting social reporting

n.	University	First social report (Year)	Number of reports so far	Time span	Position within the reference group	Number of universities in the reference group	Score	Position within the reference group	Number of universities in the reference group	Score	Position within the reference group	Number of universities in the reference group	Score	Dimension
1	Univ. BARI ALDO MORO	2006	2	Triennial (2002-2004); (2007-2009)	7	11	82,5	9	11	79,4	10	11	76,7	MEGA
2	Univ. FIRENZE	2006	1	Annual	8	11	81	5	11	83,2	5	11	82	MEGA
3	Univ. CAGLIARI	2006	3	Annual	6	15	84,8	8	15	86,2	9	15	84,1	LARGE
4	Univ. PAVIA	2010	1	Triennial (2007-2009)	2	15	91,8	1	15	99,6	1	15	97,4	LARGE
5	Univ. SALERNO	2011	1	Triennial (2008-2010)	11	15	82,3	13	15	79,2	11	15	79,6	LARGE
6	Univ. SALENTO	2012	1	Biennial (2005-2010)	7	15	84,5	7	15	86,7	7	15	85,4	LARGE
7	Univ. FERRARA	2006	5	Annual	11	20	85,3	12	18	85,7	12	19	84	MEDIUM
8	Univ. MACERATA	2007	4	Annual	6	20	91,3	8	18	92,5	8	19	90,5	MEDIUM
9	Univ. TRIESTE	2008	2	Annual	8	20	88,3	4	18	97,9	5	19	95	MEDIUM
10	Univ. SANNIO di BENEVENTO	2006	3	Biennial (2005-2006); (2007,2008); (2009-2010)	6	8	79	7	9	75,9	6	9	82,6	SMALL
11	Univ. INSUBRIA	2007	1	Annual	7	8	77,5	5	9	80,3	7	9	77,6	SMALL
12	Politecnico di MILANO	2009	1	Triennial (2006-2008)	3	4	85,3	3	4	91,6	2	4	94,6	POLYTECHNIC

The list does not include the Scuola Superiore S. Anna, Pisa, as it is not considered a State Institution by Censis

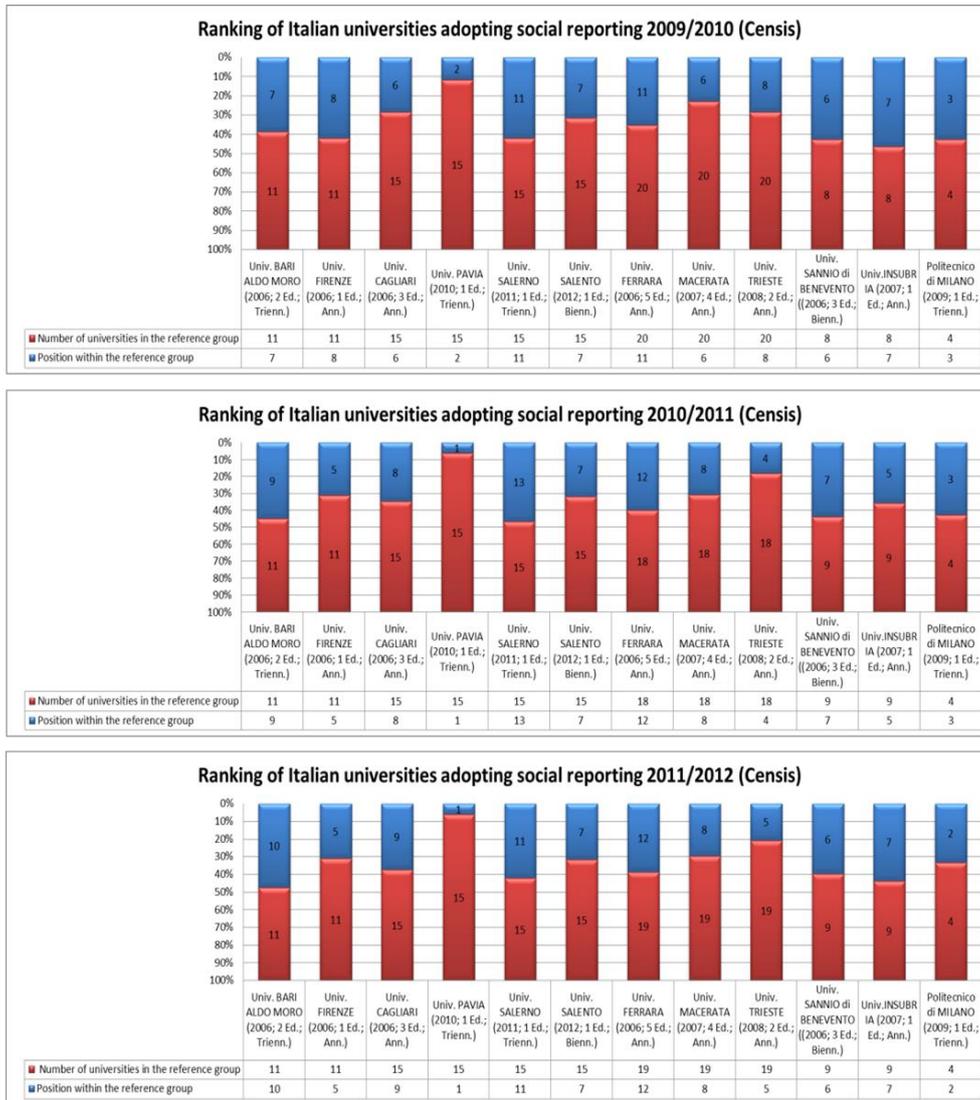
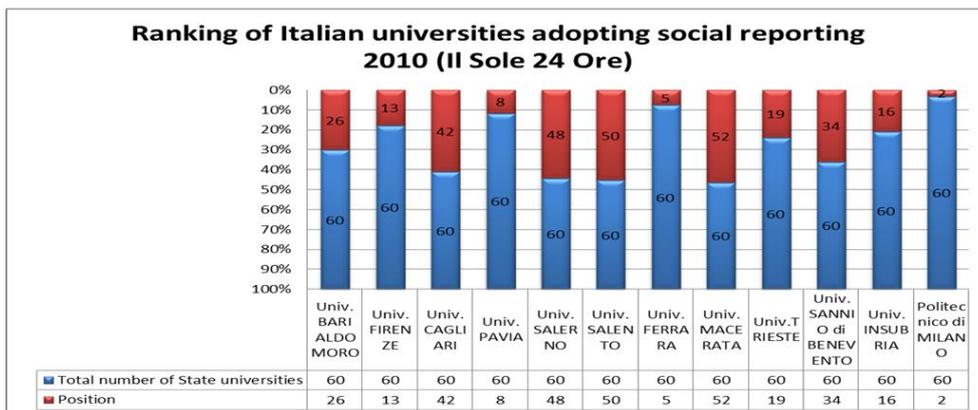
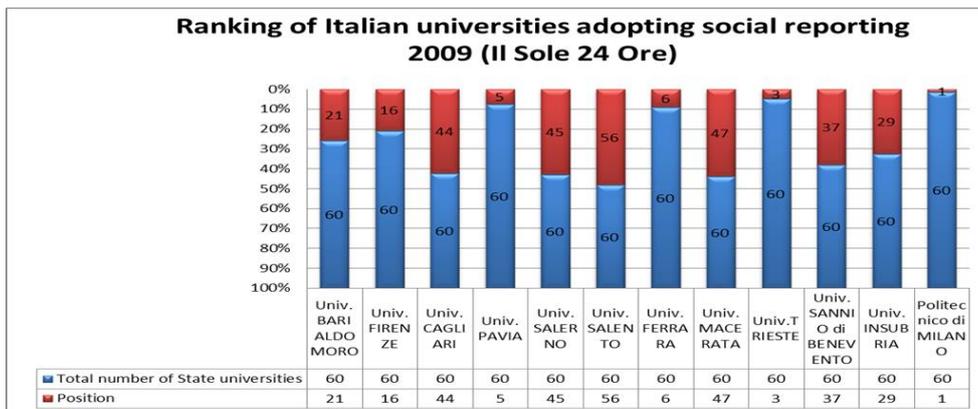
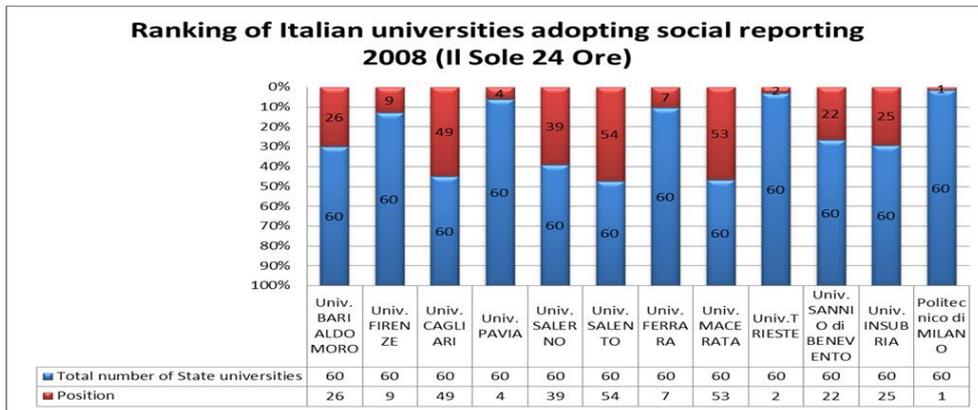


Figure 4. Ranking of Italian universities adopting social reporting (Censis – Centro Studi Investimenti Sociali)

Table 3. Relationship between II Sole 24 Ore ranking and universities adopting social reporting

<i>n.</i>	<i>University</i>	<i>First social report (Year)</i>	<i>Number of report so far</i>	<i>Time span</i>	<i>Total number of State universities</i>	<i>Score</i>	<i>Position</i>	<i>Score</i>	<i>Position</i>	<i>Score</i>	<i>Position</i>	<i>Dimension</i>
1	Univ. BARI ALDO MORO	2006	2	Triennial (2002-2004); (2007-2009)	60	518	26	575	21	528,1	26	MEGA
2	Univ. FIRENZE	2006	1	Annual	60	600	9	609	16	621,1	13	MEGA
3	Univ. CAGLIARI	2006	3	Annual	60	340	49	397	44	375,4	42	LARGE
4	Univ. PAVIA	2010	1	Triennial (2007-2009)	60	677	4	707	5	696,5	8	LARGE
5	Univ. SALERNO	2011	1	Triennial (2008-2010)	60	398	39	369	45	354,4	48	LARGE
6	Univ. SALENTO	2012	1	Biennial (2009-2010)	60	288	54	286	56	349,1	50	LARGE
7	Univ. FERRARA	2006	5	Annual	60	634	7	705	6	705,3	5	MEDIUM
8	Univ. MACERATA	2007	4	Annual	60	312	53	341	47	336,8	52	MEDIUM
9	Univ. TRIESTE	2008	2	Annual	60	713	2	756	3	584,2	19	MEDIUM
10	Univ. SANNIO di BENEVENTO	2006	3	Biennial (2005-2006); (2007,2008); (2009-2010)	60	532	22	473	37	454,4	34	SMALL
11	Univ. INSUBRIA	2007	1	Annual	60	519	25	534	29	594,7	16	SMALL
12	Politecnico di MILANO	2009	1	Triennial (2006-2008)	60	721	1	788	1	796,4	2	POLYTECHNIC

The list does not include the Scuola Superiore S. Anna, Pisa, as it is not considered a State Institution by Il Sole 24 Ore



**Figure 5. Ranking of Italian universities adopting social reporting
(II Sole 24 Ore)**

n.	Unlversity	First sodal report (Year)	Number of report so far	Time span	Censis ranking (position/total number in group) 2009/2010	Il Sole 24 Ore ranking 2008	Censis ranking (position/total number in group) 2010/2011	Il Sole 24 Ore ranking 2009	Censis ranking (position/total number in group) 2011/2012	Il Sole 24 Ore ranking 2010	Dimension
1	Unlv. BARIALDO MORO	2006	2	Triennial (2002-2004); (2007-2009)	7/11	26	9/11	21	10/11	26	MEGA
2	Unlv. FIRENZE	2006	1	Annual	8/11	9	5/11	16	5/11	18	MEGA
3	Unlv. CAGLIARI	2006	3	Annual	6/15	49	8/11	44	9/11	42	LARGE
4	Unlv. PAVIA	2010	1	Triennial (2007-2009)	2/15	4	1/15	5	1/15	8	LARGE
5	Unlv. SALERNO	2011	1	Triennial (2008-2010)	11/15	39	13/15	45	11/15	46	LARGE
6	Unlv. SALENTO	2012	1	Biennial (2009-2010)	7/15	54	7/15	56	7/15	50	LARGE
7	Unlv. FERRARA	2006	5	Annual	11/20	7	12/18	6	12/19	5	MEDIUM
8	Unlv. MACERATA	2007	4	Annual	6/20	53	8/18	47	8/19	52	MEDIUM
9	Unlv. TRIESTE	2008	2	Annual	8/20	2	4/18	3	5/19	19	MEDIUM
10	Unlv. SANNIO di BENEVENTO	2006	3	Biennial (2005-2006); (2007;2008); (2009-2010)	6/8	22	7/9	37	6/9	34	SMALL
11	Unlv. INSUBRIA	2007	1	Annual	7/8	25	5/9	29	7/9	16	SMALL
12	Politecnico di MILANO	2009	1	Triennial (2006-2008)	3/4	1	3/4	1	2/4	2	POLYTECHNIC

The list does not include the Scuola Superiore S. Anna, Pisa, as it is not considered a State Institution by Censis

Table 4. Ranking comparison (Censis – Centro Studi Investimenti Sociali and Il Sole 24 Ore) – Italian universities adopting social reporting

3. The future of social reporting in Italian universities

As to the opacity of public budgets and all other traditional tools of public reporting, much elaboration is still needed. First and foremost, the balance sheet should be considered as a true 'window for values'. Also, financial statements and synthetic accounting records cannot automatically make clear and understandable what is not always so: as we noted earlier, many evaluations require very complex non-financial measurements, not always concisely expressible through monetary indicators. Social reporting can therefore play an important role in the academic world. Based on the principles of consistency, transparency, clarity and usefulness of information, it can facilitate the full understanding of economic, political and social phenomena, therefore making academic strategies and policies easier to understand, to share and especially to finance and support if worthy. In recent years it has become clear that the legitimacy of the public administration towards society is not based solely on its institutional nature, but more and more on its ability to provide goods and services in a way that perfectly matches the expectations of citizens, workers, families and of the market in general. This new relational configuration is also valid, albeit still not clearly appreciated, for the academic system, especially the Italian one in which private universities are scarce and financial autonomy is still very modest. Being early days, what said above inevitably involves some risks: the

first one is to use initial forms of social reporting tools as 'safe havens' (for generic and ineffective models of administrative responsibility) rather than as 'uncertain starting points' (for effective and specific models of administrative responsibility). Moreover, in the absence of generally accepted models and standards, the limits of social reporting arising from

- a) excessive self-reliance,
- b) and b) reluctant comparison, are still considerable.

In scientific literature, the term accountability refers to the duty by an individual to be accountable towards others for his/her actions to define the relations between planning, decision, action and control in responsible and credible fashion (Ricci 2005, p. 13). In detail, it is necessary to report how economic and financial resources were used, the transparency employed by people involved in the management, compliance with targets set at planning stage and with social results achieved over time, all that ensuring impartiality and comparability. The conditions under which such compliance is evaluated depend on how good the academic system of accountability really is. The degree of accountability usually depends on the following (Ricci 2005, p. 14):

- a thorough and clear planning process;
- a clear definition of internal and external responsibilities;
- adequate accounting and extra accounting record systems;
- an effective internal monitoring and evaluation system;
- periodic reporting on the activities performed;
- a significant benchmarking activity;
- a significant use of technology in running communication processes.

The presence of such factors positively affects evaluation and accountability processes. Along these lines, social reporting should also improve the way third parties can evaluate the activities performed, in order to enhance managerial awareness. Reporting therefore has got an even deeper meaning and role in universities, if we think about the fact that resources come from direct and indirect contributions by local communities – this being the way the current system actually works – and that the money used is public, i.e. comes from the exercise of public functions but most important its use is aimed at promoting competitiveness, progress, democracy. This requires clear and thorough reporting, and strengthens the belief that only a legal obligation can ensure, at least at the beginning, the introduction and development of appropriate accountability systems in public bodies. In this regard the university reform, as per law 240/2010, should have been bolder.

Goal factors may be summarized as follows:

- to spread the institution's reputation;
- to improve the management of consensus and of social legitimacy;
- to avoid boycott of the services provided;
- to face and overcome crises;
- to allow public debate regarding strategic choices to be made;
- to better focus on the results achieved;
- to make decisions that take better into account tax issues;

- to facilitate internal (among departments) and external (among universities) comparison;
- to facilitate inter-institutional cooperation in federal perspective;
- to compete in the distribution of bonuses or rewards.

Effective accountability systems can indeed turn from tools into goals in public administrations, and in doing so reporting takes on a completely different meaning: it is a contribution to the social added value created by the university, an extra obligation to take towards stakeholders, a further service to engage in to strengthen democracy. It is therefore clear that the culture of accountability should be introduced and guided mainly by law, with legal requirements about deadlines, tools and goals, and supervised by third-party authorities. Ad hoc agencies should therefore be set up during government mandates, in order to assess accuracy and transparency of the information provided, and take steps in cases of manipulation or misuse of investments in disclosure and accountability. For all these reasons, the definition of social reporting principles, recommendations or guidelines takes on a specific meaning in public administrations in general, and in universities in particular.

We think the legislator should amend the reform considering the mandatory adoption of social reporting or, if that is still performed on a voluntary basis, a clearer indication of principles or rules, regarding either processes or content. This would facilitate the start and the development of measurement and reporting activities that will be eventually more consistent, comparable and verifiable.

Bibliography

1. Abruzzese, A. De Michelis, C. & Galli della Loggia, E. (1997). *Sostiene Berlinguer*. Venezia: Marsilio.
2. Agasisti, A. Arnaboldi, M. & Azzone, G.. (2008). "Strategic Management Accounting in universities: the Italian experience", *Higher Education*, 55.
3. Aghion, P. et al, 2010. "The governance and performance of universities: evidence from Europe and the US", *Economic Policy*, pp. 7-59.
4. Angluin, D. & Scapens, R.W. (2000). "Transparency, Accounting Knowledge and perceived fairness in UK universities' resource allocation: results from survey of accounting and finance", *British Accounting Review*, 32, pp. 1-42.
5. Broglia Guiggi, A., Mion, G. & Vinco, C. (2011). "Controllo e valutazione nelle università statali tra continuità e riforma", *Quaderni Monografici Rirea*, 96.
6. Carnegie Foundation for the Advancement of Teaching. (2005). *Carnegie Classification of Institutions of Higher Education* [Online], <http://www.carnegiefoundation.org/classifications/>.
7. Cartocci, R. (2007). *Mappe del Tesoro. Atlante del capitale sociale in Italia*, Bologna, Il Mulino.
8. Cassone, A. & Zaccarella, P. (2009). "Il bilancio sociale delle università. Inventario dei problemi e analisi comparata delle esperienze italiane", *Working Paper* n. 130, Università del Piemonte Orientale.

9. Catalano, G., ed. (2009). *La contabilità economico-patrimoniale nelle università*, Bologna, il Mulino.
10. Censi – La Repubblica. (2009, 2010, 2011). *Classifiche Atenei Italiani*.
11. Danish Agency for Trade and Industry. (2002). *A guideline for intellectual capital statements, a key to knowledge management*.
12. Deem, R. (2003). “Gender, Organizational Cultures and the Practices of Manager-Academics in UK Universities”, *Gender, Work and Organization*, Vol. 19, 2, March, pp. 239-259.
13. Del Sordo, C. Pazzi, S. & Siboni, B. (2010). “La rendicontazione sociale nelle Università: una lettura critica”, *Non profit*, 3, pp. 69-101.
14. Farneti, F. 2004. *Il progressivo affermarsi del principio di accountability negli enti locali*, Milano, Franco Angeli.
15. Farneti, G. & Pozzoli S., ed. (2005). *Il bilancio sociale di mandato. Il ciclo integrato di strategia e controllo sociale*, Milano, Ipsoa.
16. Fonseca, A. Macdonald, A. Dandy, E. & Valenti, P. (2011). “The state of sustainability reporting at Canadian universities”, *International Journal of Sustainability in Higher Education*, Vol.12, 1, pp. 22-40.
17. Frey, M. (2009). *Il bilancio sociale delle università*, Impresa Progetto, pp. 1–14.
18. Gazzola, M. (2010). *La valutazione della ricerca e l'internazionalizzazione dell'università: quali effetti sulla diversità linguistica*, Plurilinguismo, Udine.
19. GBS, Gruppo di studio Bilancio Sociale. 2008. *Documenti di ricerca n. 7, La rendicontazione sociale nelle università*, Milano, Giuffrè.
20. GBS, Gruppo di studio Bilancio Sociale. (2008). *Documenti di ricerca n. 8, La rendicontazione sociale degli intangibili*, Milano, Giuffrè.
21. Gornitzka, A. Kogan, M. & Amaral, A., eds. (2005). *Reform and change in higher education*, Berlin, Springer.
22. Gorz, A. (2003). *L'immatériel. Connaissance, valeur et capital*, Paris, Editions Galilée.
23. Gray, R. (2002). “The social accounting project and accounting organizations and society. Privileging engagement, imaginings, new accountings and pragmatism over critique?”, *Accounting, Organizations and Society*, 27, 7, pp. 687-708.
24. Gray, R. Owen, D.L. & Adams C. (1996). *Accounting and Accountability: Social and environmental accounting in a changing world*, Prentice Hall, Hemel Hempstead.
25. GRI. (2002, 2006). *Sustainability Reporting Guidelines*.
26. ILSole24Ore. (2009, 2010, 2011). *Classifiche Atenei Italiani*.
27. Kluvers, R. (2003). “Accountability for Performance in Local Government, Research & Evaluation”, *Australian Journal of Public Administration*, 62, 1, March, pp. 57-69.
28. Lederman, D. Loayza, N.V., & Soaeres, R.R.. (2005). “Accountability and Corruption: political institutions matter”, *Economics & Politics*, Vol. 17, 1, March.

29. Messner, M. (2009). "The limits of accountability", *Accounting, Organizations and Society*, 34, pp. 918-938.
30. Mion, G. & Melchiori, M. (2011). "Il processo di redazione del bilancio sociale negli Atenei pubblici come fattore strategico per una comunicazione attendibile", *Economia Aziendale On Line*, March, pp. 117-129.
31. Morcellini, M. & V. Martino. (2005). *Contro il decline dell'università*, Il Sole24Ore, Milano.
32. Mulgan, R. (2000). "'Accountability': An ever-expanding concept?", *Public Administration*, 78 (3), pp. 555-573.
33. Musyarofah, S., "The need for sustainability based accounting education (Case study in Indonesia's Higher Education)", *Working Paper*, www.biconpro.com.
34. Nussbaum, M. (2010). *Not for profit. Why democracy Needs the humanities*, Princeton, Princeton University Press.
35. Pasolini, P.P. (1975). *Scritti corsari*, Milano, Garzanti.
36. Pellini, P. (2006). *La riforma Moratti non esiste*, Milano, Il Saggiatore.
37. Perotti, R. (2008). *L'università truccata*, Torino, Einaudi.
38. Pezzani, F., ed. (2003). *L'accountability delle amministrazioni pubbliche*, Milano, Egea.
39. Putnam, R. (2000). *Bowling Alone: The Collapse and Revival of American Community*, New York, Simon & Schuster.
40. Rebori, G. & Turri, M. 2008. "La governance del sistema universitario in Italia: 1998-2008", *Liuc Papers* n. 221, Ottobre.
41. Riccaboni, A. & Galgani, C. (2010). "Board e membri esterni nella governance interna delle università italiane: nuovi trend e questioni emergenti", *Azienda Pubblica*, 3.
42. Ricci, P., ed. (2005). *Enti strumentali regionali e loro accountability. Il caso Campania*, Milano, Franco Angeli.
43. Roberts, J. (2009). "No one is perfect: The limits of transparency and the ethic for "intelligent" accountability", *Accounting, Organizations and Society*, 34, pp. 957-970.
44. Rullani, E. (2004). *Economia della conoscenza*, Roma, Carocci.
45. Sen, A.K. (2000). *La ricchezza della ragione*, Bologna, Il Mulino.
46. Simone, R. (1993). *L'università dei tre tradimenti*, Roma Editore, Laterza.
47. Sinclair, A. (1995). "The chameleon of accountability: Forms and discourses", *Accounting, Organizations and Society*, 20 (2-3), pp. 219-237.
48. Stoker, J. (1998). *Governance as theory: five propositions*, UNESCO, Blackwell Publishers, pp. 17-27.
49. Valotti, G. (2000). *La riforma delle autonomie locali*, Milano, Egea.
50. Veugelers, F. & Van Der Ploeg, R. (2008). *Towards Evidence-based Reform of European Universities*, Oxford, Oxford University Press.
51. Watzlawick, P. Weakland, J.H. & Fisch, R. (1973). *Change, Principles of problem formation and problem solution*, Mental Research Institute Palo Alto.
52. Weber, M. (1919). *Wissenschaft als Beruf*, Munchen, Freistudentische Bund.