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Private governance and public governance: An attempt at theoretical and interdisciplinary rapprochement

La gouvernance privée et la gouvernance publique : Un essai de rapprochement théorique et interdisciplinaire

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Abstract:

A history of research on governance would show that the first theoretical works on this concept were developed in the early 1930s, essentially within Anglo-Saxon managerial firms. It follows then that governance, since its appearance in the theoretical literature, is part of a perspective of regulation of the behavior of leaders and the definition of the rules of the managerial game. However, the findings of Berle and Means (1932) only confirmed older literature, widely answered in political science, which deals with the governance of political leaders. Thus, whether it is a question of addressing the relationship between the rulers and the people (public governance) or between the leaders and the shareholders (private governance), the problem always falls within the field of governance. In reality, these interdisciplinary connections are not surprising since governance itself is defined as being a system of regulation of the managerial game which implicitly induces an institutional dimension, natural in political science, law and sociology, and which in economics has experienced a real revival of interest with the emergence of the neo-institutionalist current, in particular the approach of (North, 1990a). It is indeed this intertwining that constitutes what governance researchers call National Systems of Governance (NGS) or "global governance" or even "culture of governance".
This research aims to present the different theories of governance that make it possible to understand this intertwining between private and public governance.

Keywords : Private governance, public governance, disciplinary approach, efficiency paradigm, North's approach
Classification JEL : H11, H19
Paper type: Theoretical Research

Résumé :

Un historique des recherches sur la gouvernance montrerait que les premiers travaux théoriques sur ce concept ont été développés au début des années trente, pour l'essentiel, au sein des firmes managériales anglo-saxonnes. Il en résulte alors, que la gouvernance depuis son apparition dans la littérature théorique s'inscrit dans une perspective de régulation du comportement des dirigeants et de la définition des règles du jeu managérial. Cependant, les conclusions de Berle et Means (1932) ne faisaient que confirmer une littérature plus ancienne, largement répondue dans les sciences politiques, qui traite de la gouvernance des dirigeants politiques. Ainsi, soit qu'il s'agisse d'aborder la relation entre les gouvernants et le peuple (gouvernance publique) ou entre les dirigeants et les actionnaires (gouvernance privée), le problème relève toujours du champ de la gouvernance. En réalité, ces rapprochements interdisciplinaires ne sont pas surprenants, du moment où la gouvernance elle-même se définit comme étant un système de régulation du jeu managérial qui induit implicitement une dimension institutionnelle, naturelle en sciences politiques, en droit et en sociologie, et qui en sciences économiques a connu un réel regain d'intérêt avec l'émergence du courant néo-institutionnaliste, en particulier l'approche de (North, 1990a). C'est en effet cette imbrication qui constitue ce que les chercheurs en gouvernance appellent les Systèmes Nationaux de Gouvernance (SNG) ou bien « gouvernance globale » ou encore « culture de gouvernance ».
L'objectif de cette recherche est de présenter les différentes théories de la gouvernance qui permettent d'appréhender cette imbrication qui existe entre la gouvernance privée et la gouvernance publique.

Mots clés : Gouvernance privée, gouvernance publique, approche disciplinaire, paradigme d'efficience, approche de North.
Classification JEL : H11, H19
Type de papier : Recherche théorique

Introduction:

A history of research on governance would show that the first theoretical works on this concept were developed in the early 1930s, essentially within Anglo-Saxon managerial firms. From then on, the object of theories of governance is not to study how leaders govern but rather how they are governed. To clarify this meaning, (Charreaux, 2004) draws an analogy with the roles devolved to the governesses of children. This fulfills two main functions: a demanding disciplinary and educational functions. The two functions are thus complementary: the first define the area and the nature of the games to facilitate monitoring and control but also conditions learning that falls under the second function.

In this perspective, and following the crisis of 1929, the pioneering analysis of Berle and Means (1932) would show that the problem of leaders' governance is essentially part of the conflictual relationship between leaders and owners. As a result, their work focuses more precisely on the problem of the dismemberment of ownership in a disciplinary function based on a system of incentives and monitoring carried out by the shareholders and a decision-making function that is the responsibility of the managers. Thus, at the beginning of the 20th century, with the emergence of large listed companies with very diffuse shareholding, the leaders within the so-called managerial firm no longer hold a significant fraction of the capital. Therefore, this dismemberment of ownership could have resulted in a decrease in the performance of companies and a spoliation of shareholders due to the failure of systems to discipline managers. Indeed, the counting of ownership led to the separation of the functions previously united in the hands of the sole entrepreneur, which led Berle and Means (1932) to conclude that the maximization of shareholder value should no longer be considered the ultimate objective of the company. For these two authors, the shareholders of the managerial firm have renounced to exercise the "active dimension" of ownership and have accepted to exercise only the "passive dimension", they then lose their legitimacy to have the exclusive right to s appropriate the profit that is the responsibility of the actors exercising the active entrepreneurial functions. They thus proposed a so-called partnership approach, according to which within the large managerial company, the interests of all the partners, including society, should be taken into account.

It follows then that governance, since its appearance in the theoretical literature, is part of a perspective of regulation of the behavior of leaders and the definition of the rules of the managerial game. However, the findings of Berle and Means (1932) only confirmed older literature widely answered in political science, which deals with the governance of political leaders. In this context, political scientists and constitutionalists have long been concerned with governance, and the separation of powers is a traditional problem of governance in political science.

Thus, whether it is a question of addressing the relationship between the rulers and the people (public governance) or between the leaders and the shareholders (private governance), the problem always falls within the field of governance.

In reality, these interdisciplinary connections are not surprising since governance itself is defined as being a system of regulation of the managerial game which implicitly induces an institutional dimension, natural in political science, law and sociology, and which in economics has experienced a real revival of interest with the emergence of the neo-institutionalist current, in particular the approach of (North, 1990a). In the sense of North, Charreaux defines institutions as “the rules of the game in a society or, more formally, the constraints designed by men who frame and influence their interactions. The governance system then represents a set of institutional mechanisms – an institutional “matrix” – constituting the rules of the managerial game” (Charreaux , 2004).

Thus, governance is represented as a set of organizational and institutional mechanisms that make it possible to delimit the powers of leaders (or rulers in a public context) and define their

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discretionary space (CHARREAUX, 2004). For several authors, in the same country, there is a strong interdependence between the institutions of public governance and that of private governance, and it is difficult to define the line of demarcation between the two concepts (Charreaux, 2004; Labaronne and Ben-Abdelkader, 2008). It is indeed this intertwining that constitutes what governance researchers call National Systems of Governance (NGS) or "global governance" or even "culture of governance".
This research aims to present the different theories of governance that make it possible to understand this intertwining between private and public governance. Therefore, we will explain the ideas of the firm's governance and its leaders in the first point. The theories that fall within the efficiency paradigm framework will be classified according to the disciplinary current and the cognitive current of governance. We will end this first point by attempting to synthesize the two currents mentioned above. The second point of this paper will be devoted to North's approach (North, 1990a).

1. Theories of governance of the firm and its managers (private governance):

Governance theories that focus on the firm and its managers are often referred to as micro governance theories. These fall under the perspective of efficiency. Thus, the objective of a governance system is to improve the firm's efficiency. In this vision, a governance mechanism such as the board of directors not only allows better discipline of managers but also contributes to improving the firm's efficiency by increasingly ensuring the creation of value.
In this paragraph, we will present in detail the two currents of the governance paradigm based on efficiency before starting the current attempts to bring these two currents together in a synthetic theory of governance.

1.1 The efficiency paradigm: Disciplinary theories and cognitive theories of governance

Within the framework of the efficiency paradigm, the theories of governance all refer to a very specific mechanism of the creation and distribution of value based on a theory of organization based on efficiency. Thus, the ultimate objective for a firm is to produce, through cooperation, a surplus in relation to the resources consumed, which will then be distributed in such a way as to guarantee the sustainability of the organization by obtaining the support of different partners. Thus, governance, seen as a set of rules of the managerial game, aligns itself more and more with the model of creation and/or distribution of value retained by the firm, which itself is linked to the particular conception of efficiency and the firm.
There are two main currents within the theories of governance belonging to the efficiency paradigm: the disciplinary current and the cognitive current.
The disciplinary current is part of the contractual theories of the firm. According to this vision, the firm is a node of contracts at the same time as a decision-making center which makes it possible to contract and manage all the contracts ensuring its activity. The automatic regularization of the various contracts by the market will not be able to create the maximum value due, in particular, to information asymmetries and conflicts of interest between the economic actors involved in the contracts. For Charroux (2004), the authoritarian management ensured by decisions given by the hierarchy proves to be more effective for certain types of contracts. Thus, the firm exists because it makes it possible to reduce, better than the market, the losses of efficiency generated by conflicts of interest between the actors involved (the stakeholders). Therefore, for contractual theories of the firm, the source of efficiency is "disciplinary"; to ensure that the gains from cooperation are not dissipated, leaders must be encouraged and monitored.
Unlike the disciplinary current, for which the creation of value is a direct result of the resolution of conflicts of interest due to information asymmetries, the cognitive current is more concerned

with the way in which a firm can create a competitive advantage by competency-based. In this last perspective, the firm becomes an entity in which the ability to learn and create knowledge is acquired. Thus, the creation of value is assimilated to a process in which not only the disciplinary path intervenes but also that of production based on skills. Efficiency can thus be apprehended as Charroux points out: "Allocative efficiency of Paretian origin or simple, productive efficiency in the static sense are abandoned in favor of a dynamic or adaptive conception, of Schumpeterian inspiration, which attaches great importance to innovation and flexibility, and therefore to the ability to create value in a sustainable way." (Charroux, 2004)

1.1.1 Disciplinary theories of governance :

In the literature on governance, the dominant approach is that recognized as the disciplinary approach. The latter encompasses all the theories that address governance as a mechanism that mitigates the conflict between shareholders and managers of a firm. Within this same approach, two visions are traditionally distinguished: the financial or shareholder vision and the partnership vision.

1.1.1.1 Shareholder theories of governance

Reflection on the shareholder or financial model of governance was first initiated by the debate opened by Berle and Means for the managerial firm. The theories that fall within the framework of this model are inspired by agency theory. Thus, for shareholder theories, only the shareholders bear the risk and, therefore, the raison d'être of a governance system is to secure the financial investment. The fact that the firm is the property of the sole shareholders, the managers, are called upon to manage it in the sole interest of the shareholders.

This conflicting relationship between the principal and the agent was taken from Berle and Means (1932) and modeled in 1976 by Jensen and Meckling within the framework of agency theory. The simplified model proposed by these two authors, which analyzes the relationship between a manager entrepreneur who opens his capital to new shareholders, will subsequently constitute the basis of the shareholder conception, which dominates research and normative reflections until today. And that the role of a governance system is exclusive to secure financial investment (Shleifer and Vishny, 1997). According to this conception, the mechanisms of governance represent all the means that make it possible to oblige managers to "maximize" shareholder value.

To clarify this idea, Jensen and Meckling (1976, 1994) analyzed the firm as being a place of contracts between a principal, who can be a shareholder or an owner of the residual rights, engaging an agent, who is a director or an entrepreneur, so that he makes his qualifications or knowledge available to the firm. In this sense, agency theory will focus on two main problems: the first problem is related to the conflicting relationship between the divergent interests of the agent and the principal, especially in terms of risk-taking; the second relates to the difficulty of wanting to effectively monitor and control the agent. Thus, the agent will have less incentive to create value for shareholders if he sees his fraction of ownership decrease.

Offsets are a major source of conflict between the principal and agent. The wealth of the latter is more sensitive to the quantity of assets than to the value of the action in the financial market; this is what pushes him to inflate the quantity of assets instead of seeking to increase the price of the asset's stock. Similarly, he would also be led to benefit from unjustified privileges and sometimes resist acquisitions.

In this context, the principal should monitor and control the agent; he could thus recruit and pay auditors, agencies and independent directors on the council, which generates monitoring costs called agency costs. However, these external monitoring mechanisms come up against several limits, which in most cases oblige firms to resort to internal disciplinary mechanisms such as the presence of a large and institutional shareholder and the constitution of a board of directors with a role in monitoring. Similarly, the establishment of a compensation policy that allows the

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agent the possibility of owning shares leads to attenuating the divergence between his interests and those of the shareholders.
These different mechanisms do not have the same degree of importance. These are ranked according to the nature of the firm in question. For managerial firms, Fama (1980) emphasizes that the dominant mechanism is that of the market for managers who seek to maximize shareholder value in order to increase their reputation and their value on the market. Thus, the evaluation of the market performance of the leaders is based on the financial market. This mechanism is generally reinforced by internal mechanisms such as hierarchy and mutual monitoring between the management team and in particular, the board of directors. Nevertheless, the board of directors can only have a disciplinary function which resides either in the incentive of the leaders by remunerating them according to their shareholder performance, or either the sanction of the latter, which can arrive until their eviction, or either even through the control exercised by audit committees.
Several empirical studies are conducted to study the effectiveness of the various mechanisms mentioned above, measured by shareholder value alone. However, their results remain ambiguous (Bolton, Becht and Röell, 2002), in particular, because of the complementarity and substitution that occur between the different mechanisms. This has led several authors to conclude that the explanatory power of the shareholder model is limited and sometimes even unrealistic, especially in explaining the structure and functioning of non-Anglo-Saxon systems characterized by the reduced role played by shareholders in the financing of firms , to this limit is added to the ambiguous nature of the relationship that links disciplinary systems to shareholder performance. These limits have mainly led to broadening the field of research by introducing other stakeholders into the analysis, especially employees.

1.1.1.2 Partnership theories of governance

The contribution of shareholder theories in the literature on governance is extremely important; it presents a theoretical framework of reference for most works relating to governance. Nevertheless, this should not hide the significant number of criticisms addressed to this theory from the 1980s onwards, insofar as the shareholders are no longer the only residual creditors of the firm (Donaldson and Preston, 1995; Chatelin and Trébucq, 2003). The analysis has thus been broadened to take into account all of the firm's stakeholders and their role in the process of creating and distributing value. As a result, entrepreneurial value took over to the detriment of shareholder value in the field of scientific research relating to governance.
Thus, partnership theories are inspired by the model, according to which the firm is a team of factors of production, whose synergies lead to organizational rent. Unlike shareholder theories, which consider residual creditors the sole holders of (shareholder) value, partnership theories emphasize the distribution of value among all stakeholders who contribute to the different stages of value creation within the firm. Indeed, beyond the shareholders, the contributors of factors of production would thus only be encouraged to contribute to the creation of value if they also receive their share of the organizational rent. It emerges that governance has no influence on the creation of value except through distribution (Zingales, 1998). In other words, a system of governance in reality only corresponds to a panoply of constraints, making it possible to frame the ex-post negotiation on the sharing of the rent between the various partners of the firm.
The partnership theories have attenuated the scope of the agency theory by considering the stakeholders of the important partners of the firm in the same measure as the shareholders. The concept of stakeholders encompasses any person or group with legitimate interests in procedural and substantive aspects of the firm's activity (Donaldson and Preston, (1995)). In this context, they are part of the stakeholders' employees, government, suppliers, customers, investors, local authorities, political groups, etc. Partnership theories always remain faithful to

the disciplinary approach of governance when the objective is to put in place mechanisms to monitor the opportunism of leaders vis-à-vis the interests of all stakeholders.
More deeply, the origins of this analysis are rooted in the analysis of ownership within the theory of incomplete contracts (Grossman and Hart, 1986; Hart and Moore, 1990). Within the framework of this theory, the property is defined as being the residual decision rights at the same time as the appropriation of residual gains (Charreaux, 2004). Thus, the status of the owner can be attributed to all parties at the crux of the contracts; an employee who is entrusted with decision-making power allowing him to better exploit his knowledge will partially become an owner. He will be more encouraged to be involved and to produce more effort in relation to his opportunity remuneration whether he monopolizes part of the organizational rent in pecuniary form or not. Indeed, this extension in scientific research has made it possible to grant a central place to human resources (Blair, 1996).
The generalization of the partnership approach to all stakeholders at the core of contracts helps to explain the origin of organizational rent. However, the latter also relates to the specific skills of the partners (suppliers, customers, subcontractors, etc.), especially with regard to long-term cooperation. This implies that the firm's relationship with these different partners cannot be limited to simple market exchanges that are reduced to prices but are, on the other hand, often co-constructed between them. In this perspective, Charreaux (1992), Charreaux and Desbrières (1998), resulted in an attempt to evaluate the system of governance by its ability to create partnership value by reducing the loss of value caused by conflicts due to the redistribution of the rent between the different partners.
In summary, disciplinary partnership theories suggest a different vision of the issue of good corporate governance. It supposes a cooperative approach of the firm, based on the integration of all the partners who have rights or claims on the said firm. These include, in particular, shareholders, managers, employees, customers, suppliers, banks, insurance companies, trade unions, administrations, and ultimately society as a whole. Thus, far from the sole financial interest of the shareholders, the firm must seek to reconcile the interests of all these partners.

1.1.2 Cognitive theories of governance:

In the early 2000s, several criticisms were leveled at the disciplinary approach, in particular, because it is part of a very narrow perspective of the distribution of value. In this context, another approach has emerged and developed in the literature on governance; it is indeed the cognitive approach. This focuses more on the creation of value rather than its distribution. According to this approach, the firm no longer sees itself as a node of contracts but, on the other hand, as an entity with its faculties to learn and create knowledge (Charreaux, 2004). In this context, learning, the accumulation of knowledge and innovation are the essence of the efficiency of the firm and the creation of its value and no longer discipline and surveillance as in the disciplinary approach. It follows that the skills of the firm and its managers are the main determinants of performance. A governance system thus leads to acting cognitively on all the skills of the firm, including those of its managers.
Cognitive theories insist on the importance of knowledge, skills, abilities and learning in stimulating innovation, which makes it possible to endow the firm with a competitive advantage which would constitute an undeniable element in the process of the creation of value. According to Charreaux (2008), a cognitive approach to governance can only be seen from an entrepreneurial perspective. Indeed, the main contribution of cognitive theories is the maximization of value through learning; this objective can only be achieved when all the stakeholders of the firm are considered (customers, employees, suppliers, etc.). It follows that to better understand the link that exists between governance and the creation of value, it would be necessary to integrate all the previous aspects relating to learning without neglecting the

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aspect of the conflict of interest (Lazonick and O 'Sullivan, 1997; Aoki, 2000; O'Sullivan, 2000).
Thus, the main difference between the two approaches, disciplinary and cognitive, is that disciplinary theories stipulate that the creation of value is of disciplinary origin, while cognitive theories refer to the creation of value as competence and learning. It follows that the difference between the two approaches resides in particular in the way in which value is created within the firm and not by the design of the firm itself: nodes of contracts versus productive entity (Charreaux, 2004).
Thus, the central element of cognitive theories is the particular attention paid to the productive dimension of the firm, both in terms of innovation and in terms of coordination. From this point of view, Loasby (2001) insists that the problem of coordination cannot be apprehended effectively by considering only the firm as being a simple informational system within which coordination is based solely on the incentive mode. It must be reformulated in this way, according to the same author, by referring to an objective of growth based, no longer on information, but on knowledge which is not reduced only to the collection of information but which also integrates are treatment and its interpretation. This presupposes a more complex conception of the firm, which will be considered as an open system in which the notion of equilibrium is abandoned in favor of that of the process.
In summary, the perspective in which the firm is seen as being a processor, or even a repository of knowledge, suggests the following arguments: i) the activity of the firm must be oriented according to the vision of the leaders, ii) the basis of innovation and of all investment opportunities must be the creation of knowledge. This knowledge will be considered as an asset with a tacit and social character, which makes it difficult to imitate; iii) the knowledge base must be protected; iv) the coordination of productive activities in which the dimensions of construction, operation and transfer of knowledge intervene goes far beyond the mere transfer of information, v) the resolution of conflicts, which is not reduced to conflicts of interest alone to take on a cognitive dimension.
At the level of governance actors, these vary according to the approach adopted. Thus, shareholder theories provide for two main actors: the manager and the shareholder. In their regard, partnership theories suggest the manager on one side and all the stakeholders on the other side. While for cognitive theories, there is a range of actors likely to intervene in determining skills.

1.2 An attempt at synthesis:

Several authors have examined whether there could be a complementarity between the two disciplinary and cognitive approaches (Winter, 1988; Foss, 1996; Foss and Mahnke, 2000). Their studies have made it possible, as the institutionalist approach to the node of contracts shows, to reveal that certain points of convergence are possible between the two approaches. Thus, the basic teachings of disciplinary theories with regard to conflicts of interest allow a better understanding of the performance of the firm, seen as a crossroads of skills. Indeed, sharing common cognitive schemas would, in most cases, reduce conflict situations within the firm (Charreaux, 2004). However, certain cognitive aspects, which are directly related to the production function, cannot be apprehended based solely on arguments of a disciplinary nature (Charreaux, 2004).
The work associated with the names of Lazonick and O'Sullivan (1998: 2000) on the innovative firm and the work of Aoki (1980: 2000) is probably the first attempt at a synthesis that gave birth to a theory of corporate governance. The firm brings together both disciplinary and cognitive approaches.

1.2.1 Work by Lazonick and O'Sullivan on the governance of the innovative firm

Lazonik and O'Sullivan deserve credit for first formulating the theory of the innovative firm. Based on the teachings of cognitive theories, these two authors have succeeded in developing a theoretical framework for modeling the creation of value within the firm by jointly considering the disciplinary and cognitive aspects.

Their work resulted in a synthetic definition of governance focused on investment. In their regard, a system of governance should allow investment decisions to be made, the choice of the different types of investment undertaken as well as the distribution of the flows generated. The choice of the innovative firm as the object of their analyzes led Lazonik and O'Sullivan to propose a theory of governance based on organizational control, to the detriment of control by the market, to allow an analytical framework taking into account the conditions institutions favorable to the innovation process.

The effectiveness of such a process depends, in particular, in compliance with the following three conditions (Charreaux, 2004): i) the main objective of the process should be to stimulate development. Thus, the use of the resources committed should be part of a long-term vision, taking into account the irreversible and uncertain nature of the investments relating to organizational learning; ii) it should take on an organizational dimension (relating to the organization of work) because organizational learning could only take effect through interactions within the firm; iii) it should necessarily have a strategic character because, in particular, it is the result of decisions taken according to the subjective interpretation of the environment and experience, which conditions learning and changes the context in which the decision is made.

It follows that the theory of governance, seen from the angle of the innovation process, leads, as Charreaux points out, "[…] to recommend modes of redistribution of income other than those which are usually retained in shareholder or partnership models, for example, favoring entrepreneurs responsible for launching new projects" (Charreaux , 2004). It thus underlies the analysis of the mechanisms of the boards of directors, especially according to their capacity to stimulate organizational learning while ensuring that this board includes, for example, representatives of all the entities in agreement with this objective, in this case employee organizations, financial and training institutions, businesses, public authorities, etc.

The approach proposed by Lazonik and O'Sullivan constitute, in fact, a critical and perspective analysis of the two shareholders and partnership theories of governance, insofar as the latter ignore the dynamics of innovation in their analyzes. Their approach consists of advocating, beyond its normative character, an analysis of governance systems based on their capacity to innovate.

1.2.2 Aoki's work on comparative institutional analysis

The pioneering studies of Aoki (1980) focused on the cooperative firm. This is based on cooperation between shareholders and employees and pays particular attention to the participatory dimension of coordination and the complementarity of mechanisms within the Japanese firm. However, "comparative institutional analysis" was Aoki's (2000) most important work, which is considered the most advanced and promising reflection on governance systems, linking both disciplinary and cognitions of governance (Chareaux, 2004).

Thus, Aoki has proposed a reference analytical framework that deviates mainly from normative research on governance, which dominates both disciplinary and cognitive approaches and, to a large extent, the governance of the innovative firm. Its main objective was to study and understand the foundations of the diversity of governance systems while taking into account that the least effective would be eliminated in the long term by competition between firms.

Referring to game theory, Aoki manages to propose a framework of analysis where the different players possess individual and incomplete cognitive visions of the structure of the game.

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Subsequently, he deeply defines the institutions of governance that would constitute the mechanisms of self-executing rules that regulate interactions between players. All of these formal or informal mechanisms would govern the decisions of stakeholders within the firm. What emerges is a mode of governance analysis based on three types of players first, financial investors, then employees assimilated to investors in human capital, and finally, managers who play a central role, especially in terms of resource usage. Thus, to analyze the self-executing nature of governance mechanisms, Aoki focuses on the study of institutional links in the organizational domain, financial transactions, labor relations and politics so as to conduct an evaluation of their interactions.

However, several criticisms have been addressed to the Aokian theory of governance systems. The main criticism concerns the theoretical framework of Aoki's analysis, which is based on game theory and the processing of information and/or knowledge, which leads to a superficial integration of cognitive aspects, in particular the production of knowledge based on organizational learning. Another fundamental criticism of Aoki's analysis resides in the causality scheme proposed by the latter, which is built on generic modes of transmission and the flow of information, which appears to be poorly adapted to take into account the organizational innovations. However, these criticisms should not hide the major contribution of Aoki, who has enriched the reflection on systems of governance. The contributions of this author, who focused on the links between types of organizational architecture and institutional systems, in addition to his analyzes of the complementarity between the different types of institutions, led to the theory of governance, probably currently the most developed (Charreaux, 2004).

The following table summarizes the main characteristics of the different theories of governance emanating from the efficiency paradigm.

2. North's approach: the new institutional economics (NEI)

Douglass Cecil North, Nobel Prize in Economics 1993, is one of the founding fathers of institutional theory; his reflection focuses on the study of the articulation between the behavior of agents and institutions.

In the majority of these works, North is interested in analyzing the link that exists between the evolution of a country's economic performance and its institutional structures. For North, institutions “consist of a political structure that designates how we develop and aggregate political choices, a property right structure that defines formal economic incentives, a social structure – norms and conventions – which defines the informal incentives in the economy” (North, 2005).

In 2005, North succeeded in reconstructing a theory of economic change, taking into account the beliefs of agents: “Economic change […] is a deliberate process shaped by the perceptions of actors about the consequences of their actions. Perceptions come from actors' beliefs (…) which are typically intertwined with their preferences. " (North, 2005). It follows that to understand the mechanisms of economic change, it is first necessary to understand the articulation that exists between the mental models that the agents construct, their shared beliefs stemming from a given society, and finally, the institutions which trace the rules of the game of economic actors.

The idea of including governance in North's work is based on the analysis of Chareaux (2004), who, for him, governance as a system of regulation of the managerial game implicitly includes an institutionalist dimension and can thus be considered as a particular case of the approach of (North, 1990b). According to this perspective, governance is seen as a set of constraints or institutions (monitoring mechanisms) that intervene in the agency relationship to mitigate and limit the actions of leaders. Thus, the constraints constitute a central element which would make

it possible to understand the role of the institutions. Therefore, the definition of governance according to the disciplinary approach, as a set of mechanisms that limit the actions of leaders, could be included in a broader approach of North.
In North's analyses, institutions are distinguished from institutional changes. Thus, institutions are a set of rules of the game, formal or informal, that define, limit and direct transactions within a society. On the other hand, the institutional changes, with regard to them, define the evolution of these rules, which will then define the trajectory of the evolution of a country.
The major contribution of North's approach to the design of governance resides in the first place in the fact that the institutional dimension makes it possible to consider the informal mechanisms of governance, largely ignored in studies of governance. Indeed, these unwritten informal mechanisms of governance could therefore have as much influence as the formal mechanisms.
Similarly, the institutional approach also provides an in-depth understanding of the evolution of governance systems over the long term. Thus, unlike regulations implemented or modified in the very short term (laws, political measures, etc.) through a simple decision, institutions in the sense of North are established over the very long term. The process by which evolve remains ignored by the scientific community until today.

Conclusion

Research on the notion of governance would show that the first theoretical works on this concept were developed in the early 1930s, essentially within Anglo-Saxon managerial firms. From then on, the purpose of governance theories is not to study how leaders govern but rather how they are governed. Indeed, since the appearance of theoretical literature, governance has been part of a perspective of regulation of the behavior of leaders and the definition of the rules of the managerial game. However, the findings of Berle and Means (1932) only confirmed older literature, widely answered in political science, which deals with the governance of political leaders. Thus, whether it is a question of addressing the relationship between the rulers and the people (public governance) or between the leaders and the shareholders (private governance), the problem always falls within the field of governance. In reality, these interdisciplinary connections are not surprising since governance is defined as an organizational game regulation system. This latter implicitly induces an institutional dimension, natural in political science, law and sociology, and which in economics has experienced a genuine revival of interest with the emergence of the neo-institutionalist current, in particular the approach of (North, 1990a).
The objective of this research was to present the different theories of governance that make it possible to understand this theoretical intertwining between private and public governance. Therefore, the starting point of our academic presentation was to present and analyze the theories of governance of the firm and its managers. These focus on the firm and its managers and are often referred to as micro theories of governance.
These fall under the perspective of efficiency. Thus, the objective of a governance system is to improve the firm's efficiency. In this vision, a governance mechanism such as the board of directors allows better discipline of managers and enhances the firm's efficiency by increasingly ensuring value creation.
Governance theories that focus on the firm and its managers are often called micro governance theories. These fall under the perspective of efficiency. Thus, the objective of a governance system is to improve the firm's efficiency. In this vision, a governance mechanism such as the board of directors allows better discipline of managers. It contributes to enhancing the firm's efficiency by increasingly ensuring the creation of value. These theories based on the efficiency paradigm are generally classified according to the disciplinary and cognitive streams of governance. The disciplinary current is part of the contractual theories of the firm. According

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to this vision, the firm is a node of contracts simultaneously as a decision-making center, making it possible to contract and manage all the contracts ensuring its activity. Unlike the disciplinary current for which value creation directly results from resolving conflicts of interest due to information asymmetries, the cognitive wind is more concerned with how a firm can create a competitive advantage by competency-based.

Thus, the main difference between the two approaches, disciplinary and cognitive, is that retributive theories stipulate that value creation is of disciplinary origin. In contrast, cognitive theories refer to the product of value as competence and' learning. It follows that the difference between the two approaches resides in how value is created within the firm and not by the design of the firm itself: nodes of contracts versus productive entity (Charreaux, 2004).

Several authors have examined whether there could be a complementarity between the two disciplinary and cognitive approaches (Winter, 1988; Foss, 1996; Foss and Mahnke, 2000). Their studies have made it possible, as the institutionalist approach to the node of contracts shows, to reveal that specific points of convergence are possible between the two processes. Thus, the basic teachings of disciplinary theories concerning conflicts of interest allow a better understanding of the firm's performance, seen as a crossroads of skills. Indeed, sharing standard cognitive schemas would, in most cases, make it possible to reduce conflict situations within the firm (Charreaux, 2004). However, certain mental aspects directly related to the production function cannot be apprehended based solely on arguments of a disciplinary nature (Charreaux, 2004).

In North's conception, organizations are businesses, cooperatives, trade unions, political parties, parliament or regulatory bodies. Institutions are thus defined as the rules governing relations between these different organizations, whether public or private.

Therefore, by referring to both the disciplinary approach and the theory of institutions. The concept of governance will be defined as a "set of organizational or institutional mechanisms that have the effect to delimit the powers and influence the decisions of leaders, managers or politicians. To say it differently, who "govern" their conduct and define their discretionary space" (Charreaux, 2004).

This definition, which is based on the complementarity between the disciplinary approach, based on agency theory, and the view of institutions in the sense of North, allows a broader conception of governance insofar as it integrates the two dimensions of public governance and private governance. Indeed, in the same way that a company manager can harm the interests of shareholders for the benefit of his claims, elected politicians can also follow their interests and act against the collective good.

In the latter case, we speak of public governance, which can be summed up as a set of means of control and discipline, making it possible to monitor political leaders.

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