

Government–Nonprofit Relations in Russia’s Regions: An Exploratory Analysis

Irina Krasnopolskaya¹ · Yulia Skokova¹ ·
Ulla Pape^{1,2}

Published online: 14 September 2015

© International Society for Third-Sector Research and The Johns Hopkins University 2015

Abstract Government–nonprofit cooperation has been an issue of considerable debate in public management literature. Most studies have focused on Western countries where collaborative forms of government have become a core element in the provision of social services. Less is known about transitional countries such as Russia where government–nonprofit cooperation is a relatively new phenomenon that is taking shape in the ambiguous context of a hybrid political regime. This article studies the nature and extent of government–nonprofit relations in Russia’s regions. It focuses on the regional implementation of the Russian government’s program to enhance the cooperation with socially oriented nonprofit organizations enacted in 2010. The article aims to understand how this program has been realized on the ground, at the regional level, and how it is assessed by the actors involved. The article thereby contributes to a broader comparative understanding of the evolution of government–nonprofit relations by bringing the special case of Russia into systematic view.

This paper is part of the Special Issue *Unlikely Partners? Evolving Government-Nonprofit Relationships, East and West* edited by Lester M. Salamon.

✉ Irina Krasnopolskaya
lkrasnopolskaya@hse.ru

Yulia Skokova
jskokova@hse.ru

Ulla Pape
u.pape@fm.ru.nl

¹ International Laboratory for Nonprofit Sector Studies, National Research University Higher School of Economics, Moscow, Russian Federation

² Institute for Management Research, Radboud University Nijmegen, Nijmegen, The Netherlands

Résumé La coopération entre le gouvernement et les organisations à but non lucratif fait l'objet de multiples débats dans les publications sur la gestion publique. La plupart des études ont porté principalement sur les pays occidentaux, où les formes coopératives de gouvernement sont devenues un élément essentiel de la fourniture des services sociaux. On connaît moins les pays en transition comme la Russie, où la coopération entre le gouvernement et les organisations à but non lucratif est un phénomène relativement nouveau qui prend forme dans le contexte ambigu d'un régime politique hybride. Cet article étudie la nature et l'étendue des relations entre le gouvernement et les organisations à but non lucratif dans les régions de Russie. Il se concentre sur la mise en œuvre régionale du programme du gouvernement russe, adopté en 2010, destiné à renforcer la coopération avec des organisations à but non lucratif à vocation sociale. L'article vise à comprendre comment ce programme a été appliqué sur le terrain, au niveau régional, et comment il est évalué par les acteurs impliqués. L'article contribue ainsi à une meilleure compréhension comparative de l'évolution des relations entre le gouvernement et les organisations à but non lucratif, en apportant le cas particulier de la Russie dans une vision systématique.

Zusammenfassung Die Zusammenarbeit zwischen Regierung und dem gemeinnützigen Sektor ist häufig Thema in Diskussionen in der Literatur zum Public Management. Die meisten Studien haben sich auf westliche Länder konzentriert, in denen kollaborative Regierungsformen zu einem Kernelement bei der Bereitstellung von Sozialdienstleistungen geworden sind. Weniger bekannt ist über Schwellenländer wie Russland, wo die Zusammenarbeit zwischen der Regierung und dem gemeinnützigen Sektor ein relativ neues Phänomen ist, das im nicht eindeutigen Kontext eines hybriden politischen Regimes Form annimmt. Dieser Beitrag untersucht das Wesen und Ausmaß der Beziehung zwischen der Regierung und dem gemeinnützigen Sektor in Russlands Regionen. Dabei konzentriert man sich auf die regionale Implementierung des russischen Regierungsprogramms zur Förderung der Zusammenarbeit mit sozialorientierten gemeinnützigen Organisationen, das 2010 eingeführt wurde. Ziel des Beitrags ist es, zu dem Verständnis darüber zu gelangen, wie dieses Programm vor Ort auf regionaler Ebene realisiert worden ist und wie es von den beteiligten Akteuren bewertet wird. Somit trägt die Abhandlung zu einem breiteren komparativen Verständnis über die Entwicklung der Beziehungen zwischen der Regierung und dem gemeinnützigen Sektor bei, indem das spezielle Fallbeispiel Russland systematisch betrachtet wird.

Resumen La cooperación gobierno-organizaciones sin ánimo de lucro ha sido una cuestión de considerable debate en el material publicado sobre la gestión pública. La mayoría de los estudios se han centrado en los países occidentales en los que las formas de colaboración del gobierno se han convertido en un elemento fundamental en la provisión de servicios sociales. Menos se sabe sobre los países en transición, como Rusia, en los que la cooperación gobierno-organizaciones sin ánimo de lucro es un fenómeno relativamente nuevo que está tomando forma en el ambiguo contexto de un régimen político híbrido. El presente artículo estudia la naturaleza y el

alcance de las relaciones gobierno-organizaciones sin ánimo de lucro en las regiones de Rusia. Se centra en la implementación regional del programa del gobierno ruso para mejorar la cooperación con las organizaciones sin ánimo de lucro orientadas socialmente que entró en vigor en 2010. El artículo tiene como objetivo comprender cómo este programa ha sido realizado sobre el terreno, a nivel regional, y cómo es evaluado por los actores implicados. El artículo contribuye, por tanto, a una comprensión comparativa más amplia de la evolución de las relaciones gobierno-organizaciones sin ánimo de lucro adoptando una visión sistemática del caso especial de Rusia.

Keywords Nonprofit organization · Government–nonprofit cooperation · Russia · Social policy · Welfare state development · SONPOs

Introduction

In many parts of the world, we can see a growing trend toward cooperation between the state and the third sector. Even in countries with a weak tradition of third sector involvement, various forms of collaboration and partnership have emerged in the delivery of social services. Cooperation between the state and the third sector has thus become a *matter of fact* (Bode and Brandsen 2014). Despite this remarkable development, however, we still know little about the quality and effects of government–nonprofit cooperation in various political contexts, especially in transitional countries such as Russia.

Over the past decades, a broad literature has emerged that studies the phenomenon of government–nonprofit cooperation (Salamon 2002; Salamon et al. 2004). Various models have been developed to analyze cooperation arrangements between the state and the nonprofit sector (Coston 1998; Najam 2000; Salamon et al. 2016, forthcoming). However, in order to understand how these cooperation arrangements work in practice and whether they live up to the expectations placed on them, one needs to take a closer look at their actual functioning in different political contexts and, as Furneaux and Ryan (2014) suggest, strive toward an empirical reassessment of existing theoretical approaches.

In the light of the broader debate, this article aims to analyze the nature and extent of government–nonprofit relations in Russia’s regions. It therefore focuses on the Russian government’s program to enhance the cooperation with the so-called socially oriented nonprofit organizations, which was enacted in 2010 (*Federal Law No 40-FZ of April 5, 2010*). The main objective of the article is to understand how the program has been implemented at the regional level, how it is assessed by the actors involved and whether (or not) it has offered opportunities for strengthening nonprofit involvement in providing social services. By focusing the analysis on one specific government support program and its local implementation in a variety of regional contexts, the article aims both to deepen our understanding of government–nonprofit relations in the Russian political context, which for a number of reasons can be regarded as exceptional, and to assess whether these relations are affected by regional variations.

What makes the Russian case different? First of all, cooperation arrangements between the state and the nonprofit sector are a rather new phenomenon in this country. Unlike most Western countries with a consolidated—though changing—welfare regime where collaborative forms of government have become a core element in social service provision (Salamon 1995; Salamon et al. 2004), in Russia, interactions between the state and nonprofit organizations have emerged from scratch in the post-Soviet period. After 1991, Russia was confronted with the task of reorganizing a formerly fully state-funded and state-organized welfare regime in the context of economic transition which in itself led to increased welfare needs (Cook 2007). Currently, welfare state reform in Russia presents itself as an unfinished process in which the mechanisms for involving external actors (both for-profit and nonprofit) are still under debate. Moreover, due to its dependence on natural resource exports in a setting where global prices for such resources have come under pressure, the Russian state welfare system has increasingly come under pressure as well (Cerami 2009).

Even more important for understanding the development of government–nonprofit cooperation in Russia is the general approach toward nonprofit organizations (NPOs). Many studies have pointed out the Russian government’s ambiguous policy with regard to NPOs and civil society at large (Evans 2006; Ljubownikow et al. 2013; Crotty et al. 2014). On the one hand, Russian decision-makers have frequently emphasized that the Russian state needs the cooperation of a viable civil society, especially in the response to social needs, and there are now a number of federally financial initiatives supporting third-sector organizations. On the other hand, the Russian government has developed a number of bureaucratic measures that curtail the development of nonprofit organizations. Most notably, the 2006 NGO Law and Federal Law № 121-FZ of July 20, 2012—the so-called foreign agent Law—have been understood as effective state measures to control nonprofit sector development (Crotty et al. 2014; Daucé 2015). In addition, the recent 2015 Law on “undesirable” organizations (*Federal Law №129-FZ of May 23, 2015*) imposes additional constraints on international organizations working in Russia and those Russian organizations, including NPOs, which have contact with them. If one takes a closer look, it is possible to see both support and control efforts as two sides of the same coin. The Russian government’s approach marginalizes nonprofit activity in contested political areas such as human rights, while at the same time strengthening nonprofit involvement on issues that align with state interest, most notably in the social sector (for a somewhat nuanced analysis of the relationship between the support and regulatory programs aimed at NPOs in Russia, see the article by Salamon, Benevolenski, and Jakobson in this special issue).

Whereas a number of studies have analyzed the effect of government control measures in Russia (Crotty et al. 2014; Daucé 2015), little is known about how exactly government support programs have been working and what their impact is on nonprofit organizations. Many questions arise when one takes a closer look on these programs: have they favored a specific type of organization, have they focused on particular social policy issues to the exclusion of others, and have organizations on the ground been able to use opportunities provided by the programs to enhance

their involvement in social policy development in addition to social service provision.

The focus of this article is on the operation of the government support programs on the regional level. We do not examine the operation of the regulatory provisions except as they impinge on the support programs or cause those involved in the support programs to express concerns about these provisions.

Based on the hierarchical organization of the Russian state, one would assume that government–nonprofit relations are the same in all parts of the country. However, a closer look at the regional level reveals that there are considerable variations across Russia’s regions. The regional authorities bear the main responsibility for financing and implementing welfare policies in Russia. Within the country, the regions—officially called “subjects of the federation”—significantly differ in terms of socioeconomic conditions, welfare state policies, and nonprofit sector development. Human development indicators show an immense gap across Russia’s regions as well as between regional capitals and peripheries. We can assume that the political and economic contexts of each region have an impact on the way government–nonprofit cooperation is shaped on the ground.

To capture regional variations, the article focuses on case studies in eight (out of 83) regions. With a cross-regional comparison, the article aims to understand which internal and external factors account for the differences in government–nonprofit cooperation in Russia’s regions. The article is structured as follows: first, a framework for analyzing government–nonprofit cooperation in the Russian political context in the hybrid regime context is developed on the basis of existing theoretical approaches. In Part II, the legal framework of the government support program is presented. In Part III, the regional implementation of this program is analyzed along five dimensions, including program objectives, funding, program activities, procedures, as well as nonprofit participation and satisfaction.

Understanding Government–Nonprofit Relations in Hybrid Regimes

Partnerships between the state and the nonprofit sector in the delivery of social services have gained significant relevance in academic debate and public policy practice. Over the past decades, a broad body of literature has emerged that studies the phenomenon of these partnerships both from the perspective of public management and nonprofit sector development (Salamon 1987a, b; Salamon and Anheier 1994; Salamon 1995, 2002; Salamon et al. 2004; Smith and Lipsky 1993). The arguments that have been put forward in favor of the so-called welfare partnerships can be summarized along two lines: first, in the New Public Management (NPM) discourse (Lane 2000), a collaborative government is thought to enhance the flexibility and cost-efficiency of the public sector by building on market competition among social service providers, which can be both for-profit or nonprofit. In this vision, NPOs are welcome partners of the state, as they are believed to bring in additional expertise and knowledge that allow the state to provide social services at good quality and price. Moreover, partnerships with NPOs are believed to enhance the innovative potential of the public sector, which is in turn

helpful for adapting to changing welfare state conditions. The second argument for partnering with nonprofit organizations lies in a somewhat different direction. Here also the added value of NPOs is emphasized, but rather than focusing on operational qualities such as flexibility, the argument focuses on the perceived democratic value of nonprofit organizations (Blomgren-Bingham et al. 2005; Zimmer 2010). Some have argued that NPOs are better equipped to respond to citizens' needs and can function as a bridge to the recipients of social services. Others emphasize the ability of nonprofit organizations to mobilize private initiative for public goods by raising private donations and fostering voluntary engagement (Dollery and Wallis 2003). Moreover, partnering with nonprofit organizations is believed to encourage civic participation in the implementation and design of welfare policies—an approach that has become known in the debate as the “co-production” of social services (Verschuere et al. 2012).

As government–nonprofit cooperation has become an increasing trend in many parts of the world, various theoretical models have been developed to shed light on this complex interrelation (Coston 1998; Najam 2000; Brown and Ryan 2003; Salamon and Sokolowski 2012). Scholars have aimed at understanding both the nature of government–nonprofit cooperation and its effect on the actors involved. Scholars have also explored which factors shape government–nonprofit relations and how these relations are viewed from the perspective of government or the nonprofit sector. Some scholars have delved into partnership agreements (Brinkerhoff 2002; Brinkerhoff and Brinkerhoff 2011) or focused on specific country case studies (Furneau and Ryan 2014).

One especially fruitful theoretical model for understanding government–nonprofit relations is the four-C framework, developed by Adil Najam (2000). According to Najam, a certain degree of tension lies at the heart of government–nonprofit relations, which he views as a “strategic institutional decision made by both the government and the nongovernmental organizations in question” (2000, p. 390). In the interrelation, both actors pursue certain goals and use various strategies for achieving them.

Depending on the alignment or non-alignment of means and ends, Najam distinguishes among four different forms of interrelation between the government and NPOs: cooperation, confrontation, complementarity, and co-optation. Cooperation occurs when both government and nonprofit organizations share similar policy goals and strategies. Confrontation, on the contrary, is an expression of divergent goals and strategies. In the case of complementarity, government and NPOs share similar policy goals, but differ in their preferred strategies, which means that they can complement each other. Co-optation likely occurs when government and nonprofit organizations share similar strategies but prefer different policy goals. In this—according to Najam, often transitory—relationship, both actors seek to influence the other to reflect their interests. Power asymmetry obviously plays a role in the interrelation between government and nonprofit organizations—although government often has a greater leverage in the relationship, NPOs do possess power capabilities which, depending on the context and the organization, can be financial, political, or epistemic (Najam 2000).

Najam's model can be helpful for understanding government–nonprofit relations in Russia's regions. The interrelations depend on both the government, in this case the regional administration in the selected regions, and the local nonprofit organizations. With government support programs and other tools for cooperation, the regional administration can shape a constructive or less constructive relationship with the nonprofit sector, depending on their respective policy goals and means. However, relations do not only depend on the government. NPOs, on their side, also have something to bring to the table, e.g., professional qualities, expertise in service delivery, skills, public support, etc. Depending on their policy goals and their ability to make use of their capabilities, nonprofit organizations can contribute to shaping government–nonprofit relations in their regions. Government–nonprofit relations can differ across Russia's regions, as regional administrations vary in their approach toward the nonprofit sector. Regional NPOs, in turn, differ in their policy goals, their strategies, and their capabilities for shaping constructive relations with government institutions.

In the following, we will first outline the methodological approach used to undertake this analysis and then analyze the regional support programs in the eight regions with regard to six key dimensions: (1) federal framework; (2) program objectives; (3) pattern of funding; (4) program activities; (5) implementation procedures; and (6) assessment by the actors involved.

Methodological Approach

The focus of this article is the sub-national level, as regional authorities bear the main responsibility for financing and implementing welfare policies in Russia. Within the country, the 85 regions—officially called “subjects of the federation”—significantly differ in terms of socioeconomic development and welfare state policies (see: Remington, this special issue). This article follows a regional case study approach to generate the needed insights on the basis of a cross section of Russian regions. To ensure that the case selection embraces a sufficient degree of diversity in the dependent variable while holding constant various other—possibly interfering—factors, we developed a systematic approach for selecting the regions that consisted of four steps.

First, we excluded those regions that for various reasons can be considered non-representative, including the two main cities, Moscow and St. Petersburg, and the so-called national republics which, as a rule, are resource-rich and therefore less dependent on federal transfer payments. This left us with 53 subjects of the federation. Second, we identified a set of factors that can be expected to affect regional patterns of government–nonprofit relations. More specifically, we focused on two of these factors: (1) the level of economic prosperity in a region; and (2) the openness of the region in political and economic terms, including its assumed openness toward NPOs. Our goal was to ensure that the case selection included regions that differ significantly along these two dimensions. The level of economic prosperity was measured on the basis of the gross regional product per capita (Russian Federal State Statistics Service). Regional openness was measured on the

basis of three indicators: (1) the regional democratization index developed by the Carnegie Centre (Petrov and Titkov 2013); (2) the number of NPOs per capita in cities with more than 50,000 inhabitants (Russian Federal State Statistics Service); and (3) the level of citizen participation in NPOs based on an All-Russia population survey ($N = 41,500$) conducted in 2010 by the Center for Studies of Civil Society and the Nonprofit Sector at the National Research University Higher School of Economics (NRU HSE). Except for the survey data, all data pertained to the year 2013. Regions were then ranked from 1 to 53 in terms of their scores on these different indicators, with a rank of 1 assigned to the region with the *highest* value in terms of openness and economic prosperity, respectively, and a rank of 53 to the one with the *lowest*. Because the three openness indicators were somewhat subjective and seemed to be capturing different facets of openness, we computed the average of the three individual ranks on these three indicators and used that as our default openness rank for each region.

Armed with these rankings, we then sorted all regions into high and low categories in terms of these two factors and grouped the regions into four categories: (a) regions with above-average levels of both economic prosperity and openness; (b) those with below-average levels of both; (c) those with high levels of economic prosperity but low levels of openness; and (d) those with the reverse. Finally, we picked two regions in each category taking into account an effort to achieve a meaningful degree of geographic diversity. As a result, as shown in Table 1 below, the following eight regions were selected: Perm and Novosibirsk (strong economic development, and strong openness); Tomsk and Belgorod (strong economic development and weak regime openness); Vladimir and Irkutsk (weak economic development and strong regime openness); and Ryazan and Tambov (weak economic development, and weak regime openness). For a full picture of regional rankings on all three measures of openness, see Appendix A.

The research on which this article is based was guided by a Research Guide devised by overall Project Director Dr. Lester Salamon in collaboration with the authors and other senior Higher School of Economics personnel. To ground the

Table 1 Target regions for in-depth study, grouped by rankings on level of economic development and extent of regime openness^a

	High level of openness			Low level of openness		
	Region	GRP per capita	Average openness rank	Region	GRP per capita	Average openness rank
High economic development	Perm	17.5	17.3	Tomsk	9.5	37
	Irkutsk			Belgorod		
Low economic development	Vladimir	36.5	21.7	Tambov	42.5	37.9
	Novosibirsk			Ryazan		

^a Numbers represent regional ranks based on actual values of the selected indicators. All regions were ranked from highest (1st rank) to lowest (53rd rank) on each measure. The basis for the groupings was the median of the ranking scale. Regions ranked 1–26 are considered to be in the high group along the respective category and regions ranked 27–53 are low in the respective category

research in a common reality in all the regions, we focused our research on the operations of a particular government grant program providing assistance to regions for support of socially oriented nonprofit organizations (SONPOs), and on the associated regional programs that this grant program co-funded. The program in question was enacted in 2011 (*Decree of the Government of the Russian Federation of August 23, 2011 N^o 713*). Decree N^o 713, is managed by the Federal Ministry of Economic Development, and goes by the name of “Competitive selection of subjects of the Federation for provision of subsidies from the Federal budget to Regional governments earmarked for regional programs of support for SONPOs” (hereafter MED SONPO Regional Support Program; for further information on this program, see the article by Salamon, Benevolensky, and Jakobson, in this special issue).

Three research methodologies were pursued in each region: first, document analysis; second, in-depth personal interviews with key actors in both the government and the NPO community; and third, a random survey of NPOs. This article presents preliminary results based on the application of the first methodology in all eight regions and the second methodology in five of the regions. It does not cover results from the random survey of NPOs. More specifically, we analyzed applications of the selected regions for co-financing from the Federal Ministry of Economic Development, official program documentation, legal regulations and guidelines, as well as information on the regional NPOs that participated in the grant programs. Official data were assessed through the information portal on government support programs to SONPOs established by the Federal Ministry of Economic Development (<http://nko.economy.gov.ru/>). In-depth personal interviews were conducted to date in five out of the eight regions. In each region, 14 interviews were conducted with SONPO representatives, two interviews with government officials, and one interview with an expert on the third sector in the region. All told, a minimum of 17 interviews were conducted in each region, and 87 were carried out across the five regions. While not a fully scientific sample, these interviews, supplemented by the documentary material, provide a reasonably clear picture of the main contours of program implementation across these five regions.

The Target Program

Background: The Federal Program Framework

Government policy for promoting civil society development has received a significant push over the past decade. In 2009, support for SONPOs was secured by enactment of a new concept document entitled “A Concept to Facilitate the Development of Charitable Activities and Volunteering in the Russian Federation” (*Federal Government Decree N^o 1054 of June 30, 2009*). This document outlined a strategy for channeling federal funds to a set of SONPOs and authorized the allocation of budgetary funds to support them. Subsequent decrees in 2010 and 2011 established a set of programs through which to implement this concept. Since then,

federal financial support for SONPOs has grown from 3.9 billion Russian Rubles in 2010 to 9.3 billion Rubles (US\$155 million) as of 2014.

The term socially oriented NPO was introduced into Russian legislation in 2010 to refer to those NPOs that are “pre-selected and approved” for this government support. SONPOs are thought to aim for social objectives and are therefore regarded to be “public benefit” organizations (*Federal Law N^o 40-FZ of April 5, 2010*). Consumer cooperatives, homeowner societies, government institutions, government corporations, autonomous institutions, and political parties are excluded from the list of SONPOs. Generally speaking, with some notable exceptions, the list of areas of work of SONPOs correspond reasonably well with those identified as deserving of the special advantages provided to “charitable” organizations in other settings. The list of such areas is open to expansion by both federal of regional authorities.

The Ministry of Economic Development’s Grant Program to the Regions

As outlined in the article by Salamon, Benevolensky, and Jakobson in this volume, governmental financial support to NPOs in Russia is provided both on the federal and regional levels and takes two broad forms: first, direct support (subsidies, grants, state orders); and second, indirect support (tax incentives, reimbursement of the cost of services rendered, access to low-cost real estate, etc.).

The Ministry of Economic Development (MED) operates two competitive grant programs: (1) subsidies for co-financing regional programs of support to SONPOs (Government Regulation N^o 713 from of August 23, 2011, MED order N^o 465 of September 8, 2011, and MED order N^o 862 from December 30, 2014); and (2) support directly to socially oriented NPOs that reproduce their successful practices in other organizations. As noted above, the focus of this article is on the first support program—i.e., provision of subsidies to “co-finance regional budgetary programs of NPO support” (Benevolensky and Shmulevich 2013, p. 157). In this article, we refer to it as “the MED NPO Support Program,” or “the MED Program.”

Under this latter MED Program, regions compete for federal financial support to supplement existing regional budgetary funds for NPO support. The presence of a regional support program for NPOs is a compulsory prerequisite for involvement in the MED Program (*Decree of the Government of the Russian Federation of August 23, 2011 N^o 713 “On Provision of Support to Socially Oriented Nonprofit Organizations”*). The program excludes support to organize demonstrations or protest meetings using grant resources. As shown in Table 2 below, the MED

Table 2 Distribution of applications in the regional competition for subsidies organized by the Ministry of Economic Development of Russia between 2011 and 2014

Year of competition	2011	2013	2014
Number of participants (regions)	53	69	74
Number of winners (regions)	49	49	45
Total grant amount (US\$ million)	9.3	9.8	10.2

Based on the exchange rate on August 11, 2015 of US\$1 = 64.5 RUB

Data source Ministry of Economic Development, Russian Federal State Statistics Service

Program has grown over time both in terms of number of participants and in terms of available federal funds.

The competition for MED Program financial support involves the following steps:

- First, regional authorities fill out standard application forms on behalf of the region. All applications are filled in online and are open access (unified automated information system for SONPO support). The Ministry also provides online reference sources and conducts offline educational seminars. The application form itself calls for a presentation of the current state of nonprofit sector development in the region, legislation on NPOs, and tools used for NPO support.
- Second, applications received for the competition are evaluated by an expert commission based on eight criteria (paragraph 22 of the *Order of MED N^o 465 of September 8, 2011*). The most significant of the criteria are amount of co-financing from the regional budget in terms of its proportion in the overall regional budget expenses; positive experience in support of SONPOs; existence of qualified personnel within regional SONPOs; adoption and realization of laws on SONPOs; increase in number of SONPOs, their staff members, and the services they provide; regional provision of tax incentives and real estate benefits; and size of the territory. Based on these criteria, an overall rank is assigned to the proposal. Evidence of innovations in the regional nonprofits support are not distinguished purposely from mentioned criteria. Such evidences are only the number of NPOs which manage endowments and income from it. Regions are granted various sums of money based on formula calculations and all criteria for evaluations are open access. Results are also open at the Ministry's website as well as all applications both from regions that won the competition and from those that did not receive a grant.

Regional Support Funding

It is worth remembering that the MED Program does not exist in isolation from existing regional support programs. Regions conduct local grant competitions supporting SONPOs with co-financing from the MED. The MED Program is to be a general thematic framework that supports regional efforts and brings more resources into the operation of these regional initiatives. Therefore in this article we also focus on regional programs to reveal how the MED Program actually operates on the regional level.

Regional support is provided by, firstly, local governments (city and district administrations), and, secondly, by regional governments. SONPOs can also receive support from regional Committees (e.g., the Committees on Social Policy, on Youth Policy, and Interaction with NGOs, on the Press and Mass Media, on Physical Culture and Sport, on Labor and Employment, on City Property Management, and others). These opportunities for regional support are independent of each other—receiving one does not eliminate the possibility of receiving support from the other.

Support from regional Committees can also be provided either on a competitive or on an uncontested basis.

Key Findings: The Operation of the MED NPO Support Program in the Regions

Securing MED Funds

As noted above, the first step in the operation of the MED NPO Support Program is for regional authorities to submit an application. Usually, applications are prepared by the regional administration, including departments responsible for cooperation with NPOs in the social sphere. In rare cases, the administration consults with NPO representatives about the applications and suggested tools for the sector support as well as exact initiatives for the social sphere. Upon receipt of the applications, the MED undertakes a review process and ultimately decides whether and how much each region receives. In this section, we examine the procedures that the regions we examined in depth utilized in this initial application process, the objectives they articulated, and the relative success they achieved.

Preparing the Regional Applications

The five regions examined in depth in our research to date presented no significant differences in assembling their applications to MED and no significant variations in the extent to which they involved local NPOs in the application process. Applications are very formal and are filled out in a standard form with a common number of indicators. The application forms do not ask regional applicants to explain what they are planning to do; rather they ask but what they have done already and what legislative acts they have to govern their support activities with NPOs. These normative acts illustrate overall regional objectives for third sector development and involvement of NPOs in providing social services in general, not only in the frame of implementation of the MED program. Regional authorities provide these documents, existing regional strategies for development, as well as regional statistics on NPO sector development. Therefore, there is no actual need for consulting NPOs while preparing the regional applications. Authorities usually possess the necessary information gained from their own statistical departments. When applications from past competitions are open access, some regions use them to identify “best approaches” to filling in the applications. Then regional authorities combine all the materials into one application. Therefore, the quality of the application, the assigned rank, and the size of the awarded grant reflects mainly the level of knowledge of regional authorities—but not the level of NPOs involvement in the application procedure. For example, in the application of Tomsk (a high economic prosperity-low openness region) there are a lot of missing statistics about contracting and real estate facilities and even about the number of SONPOs, the amount of regional funds granted to SONPOs, or the number of publications in mass-media about NPOs. In Belgorod (also a high economic prosperity-low

openness region), the application was filled in completely and contains practically no missing information. These differences resulted in different ranks for the regional applications that heavily corresponds with the size of the awarded grants.

However, applications are not prepared in isolation from NPOs. As a rule, regional authorities actively communicate with NPOs in “everyday life” in a majority of the examined regions, even in ones with a low level of openness. NPOs are included in Regional Public Chambers in Tambov and Ryazan, in expert and public councils in Novosibirsk, Tambov, and Perm, and often have their own research and statistical services.

Setting Regional Objectives

There is no “objectives” line in the application form. Objectives are written in regional programs of SONPOs support, which are attached to application to MED. The resulting regional programs predominantly follow MED Program recommendations and objectives for providing support for SONPOs. In many respects, this led to a relatively low level of variation among regional objectives. Regional support programs commonly aimed at creating favorable conditions for SONPO development and overall socioeconomic and cultural development of their regions through use of SONPO services and potentials in the social sphere. Variations occurred in the number and refinement of additional regional normative acts for NPO support that exist in the region. Thus, for example, the Irkutsk application noted that its support would be used for “solving and preventing social problems.” Vladimir similarly declared its intention to use the funds to “improve the quality and availability of social services.”

Assessing the Applications and Distributing the Funds

As noted above, the MED formulated a set of criteria for distributing its funds and convened review committees to evaluate the regional proposals against these criteria. Generally speaking, the review criteria seemed pitched toward rewarding those regions that had already established their own regional support programs. This would naturally favor the better-off regions and those with established nonprofit sectors. To what extent did this outcome find reflection in the record of winners and losers?

A first answer to this question can be derived from Table 2 above, which records the overall record of winners and losers among Russian regions. What seems clear is that in the initial years of the program, the Ministry was primarily interested in attracting regions into the program, or else was successful in attracting mostly regions that already met most of its criteria. Whatever the reason, application of the criteria did not screen very many applicants out, at least in the early years. Thus, of the 53 regions that submitted proposals in 2011, the first year the program was in operation, all but 4 received grants, a success rate of 92 %. In subsequent years, the applicant pool increased—first to 69 regions and then to 74—but the success rate went down—first to 71 % and then to 61 %. Whether the criteria were applied more severely or the quality of the proposals declined is harder to determine.

For the eight regions on which we focused, over the three initial years of the program, there were a total of 21 applications submitted for funding under the Ministry's program out of the 24 possible. Of these 21 applications, 18 were successful, a success rate that was higher than the overall success rate (86 % vs. 73 %). The ranking of applications differed among these regions, however. For example, Novosibirsk received one of the highest rankings in the Ministry's ranking system while Ryazan received one of the lowest rankings considered suitable for receiving a grant in 2013.

Data on the funding received by our target regions from the MED support program shows a relatively great degree of differentiation. Based on the Ministry's criteria, we would expect that the regions with more highly developed NPO sectors would receive the largest grants under the Ministry's support program. As Table 3 notes, this relationship holds in terms of the absolute amounts distributed—i.e., the regions with the greatest “openness,” including openness to NPOs, have higher average grants than those in the below-average-openness regions, and this holds regardless of level of economic development. Thus Perm, Irkutsk, and Novosibirsk received larger grants during this period than did Belgorod, Tambov, and Ryazan. This suggests that the Ministry was rewarding the regions with the most active NPO sectors, as would be expected given its emphasis on this factor in the award criteria. However, a quite different pattern emerges when we “normalize” the relationship by calculating the average grant size per 1,000 people in each region. Once this is done it appears that the Ministry's grants are somewhat redistributive, in result if not by intention—i.e., regions with the least-well-developed NPO sectors receive generally higher average grants per 1,000 persons than the regions with the most developed NPO sectors. This may reflect a common tendency in regional grant-type programs to spread the benefits across all regions instead of concentrating them on the basis of some measure of need (Beam and Conlan 2002).

Table 3 Available funding from MED support programs in 2011, 2013, and 2014, thousands of Rubles and per 1,000 population

	High level of openness			Low level of openness		
	Region	Total funding from MED support program	Per 1,000 population	Region	Total funding from MED support program	Per 1,000 population
High economic development	Perm	38,435	15	Tomsk	38,462	36
	Irkutsk	45,684	19	Belgorod	22,783	15
	Average	42,060	17	Average	30,623	26
Low economic development	Vladimir	9,000	6	Tambov	25,878	24
	Novosibirsk	72,276	27	Ryazan	13,349	12
	Average	40,638	17	Average	19,614	18

Data source Ministry of Economic Development, Russian Federal State Statistics Service

A second criterion used to rate regional applications was the extent of regional funding of NPOs out of regional funds. Figure 1 below reports the record of our target regions on this criterion. As this figure shows, it was generally true that the regions with the highest levels of regional support for NPOs secured the largest MED NGO support grants. Thus, the four regions with the highest relative levels of regional support to local NPOs averaged 62,500 Rubles per 1,000 persons in regional support and secured an average of 25,500 Rubles of MED support per 1,000 residents. The comparable figures for the 4 regions with the lowest levels of regional support to NPO were 20,500 in regional support and only 13,000 Rubles in MED support. Clearly, MED seemed to be sending a signal that greater regional support would be rewarded with greater federal support.

Application and Selection Process in the Regions

Generally speaking, regional authorities copied the procedures for distribution of funds to SONPOs at the regional level from the MED Program and incorporated

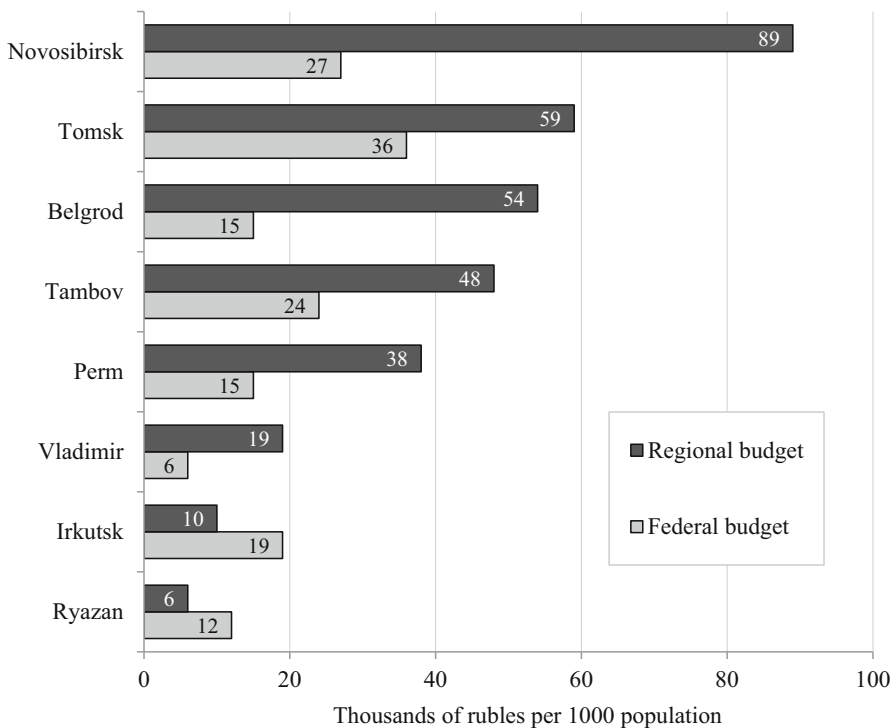


Fig. 1 Funding of state support program of SONGOs from federal and regional budgets, per 1,000 population, 2011, 2013, 2014 in sum (thousands Rubles)*. *Data for 2012 unavailable because the Federal Ministry did not carry competition for co-financing of regional programs in that year. However, the program was saved in some regions and implemented without co-financing from the federal budget. *Data source* Website of MED program, Governmental regional programs of SONGO support, Russian Federal State Statistics Service. Available at: <http://nko.economy.gov.ru>.

them into the regional framework of SONPO support. The same was generally true of the documentation required by the Ministry. At the same time, a number of variations emerged in how the regions handled this critical application and decision process for this program.

Publicity and Outreach

A first critical step in running a grant competition is to circulate information on it through a variety of media. A Transparency International (2013) study of the MED NPO support program in 2011–2012 faulted the regional implementation of this program on these grounds, charging that was a low level of openness and transparency from the side of the selected SONPOs. Our research, focusing on MED program in 2014 did not reveal particular problems with openness. Information about forthcoming regional competitions was open and presented at the regional authorities' websites as well as on MED's website. Various resource centers and information websites provide regular emails alerting NPOs to forthcoming competitions, and these vehicles were used for this program as well. Regional authorities conducted one or a series of educational seminars for nonprofits concerning application procedures as well as accounting and report procedures. Local resource centers also distributed information about the regional support program as well as about other competitions for NPOs in the region. Information about this grant competition was generally perceived as sufficient and complete from the perspective of interviewed SONPO representatives. Typical was this comments from one local Novosibirsk NPO leader:

We have no obstacles to get information about this regional competition or any other. I always receive plenty of emails. There are a few well-known internet resources like Agency for Social Information where one can find information about forthcoming competitions. Moreover, we know already when the region usually conducts grant competitions and closer to that time we start to monitor information more precisely. It is a regular business activity.

Application Procedures

Responses were not as positive about the application procedures used in the support program. Especially problematic was the time required to fill out the forms. The application form is almost the same in different regions and consists of planned activities, their goals, objectives, and estimated costs. Application requirements include provision of a wide range of paper copies of documents about the SONPO itself. For instance, the application not only requires a certified copy of the legal registration and other statutory documents of the organization, but also requires diplomas of all staff members as well as specified agreements with volunteers involved in the organization, among other documents. Some respondents expressed exasperation about these huge bureaucratic application requirements—particularly in view of the limited financial benefits the grants provided—but most were willing

to stick with it in view of the benefits in terms of social capital, networking, and reputation that involvement in the program brings. Experienced SONPOs find these requirements superfluous, but rather doable and do not consider it a significant barrier to participation. On the other hand, the complicated application procedure might act as pre-selection criterion to exclude either small, or less-qualified organizations and reduce the number of bogus NPOs that apply. In a number of regions, e.g., in Ryazan, Belgorod, and Tomsk, the list of requirements is extended. Thus, in these regions, the NGOs are required to exist for at least one year before they are allowed to take part in the grant competition. However we do not have enough evidence to conclude that creating a SONPO just to participate in the competition is a common practice in other regions. Such cases occur but are not widespread.

It is worth noting that the regional administrations in all 8 regions held special workshops concerning all stages of the grant competition. In regions with strong NPOs, training in grant procedures was also provided by local resource centers or expert organizations. This was judged to be very helpful for the actual competition. Regions ranked high on the “openness” scale are also experimenting with creation of an online application system on to simplify the procedure and promote transparency. Novosibirsk has already established such a system and Irkutsk is planning to introduce one.

Proposal Review and Selection

The Transparency International report mentioned earlier reported a lack of transparency in the selection process for the MED NPO Program recipients in the regions, and these problems surfaced in the operation of the program in our target regions as well. As is done in other competitions, each region identified an expert commission to evaluate the received applications. These Commissions were usually composed of regional officials, representatives of local NPOs, and representatives of other expert organizations. A list of commission members was not officially distributed, but it was “common knowledge” in all examined regions. Experienced SONPOs are usually aware of who is on the commission.

Information about the selection criteria was open but not of much interest to SONPOs. The following criteria were officially applied in all the regions: numerical ones, e.g., the number of volunteers who participated in the activities of the program, the number of service beneficiaries, the number of job opportunities created at the organization, and the availability of human and material resources at the organization; and qualitative ones, e.g., whether the planned project might meet expected results, and whether it affects the socioeconomic problems in the region.

However, even in regions with high levels of openness and reliance on all formal competition procedures, there is considerable skepticism among SONPO representatives about the selection process and the significance of the selection criteria. Respondents believe the most significant factors for receiving regional support are positive experience and level of competence as well as recognition and positive relationships with regional authorities and Ministries. Indeed, there are certain cases of “unfair” or pre-selected distribution of grant budgets. The organizations

benefiting from such support are referred to as “pocket” SONPOs, suggesting that they are in the pocket of regional authorities. Also, some organizations are granted funding on grounds that they are crucial to the “existing social order,” and that supporting them is the “proper thing to do,” even when their applications are of low quality. These are usually veterans’ organizations and organizations that were established during the Soviet era or in the early 1990s and have survived down to the present. In the regions examined here, the percent of organizations receiving grants that fell into these categories probably varied between 20 and 30 %. However, these percentages are very raw estimations and are based mainly on the registries of winners in selected regions. As one regional official explained:

We have a few veteran organizations, one of them—Veterans of Afghanistan—was established before 1990s. Every year they apply for regional and municipal grants. We know them and what they are suggesting and their level of professionalism. No innovations there. However, we try to give them grants, for example, two times out of three. It is our ‘social obligation’ to support them.

In short, the existing procedures for grant competition in the MED regional NPO support program are generally rather modern and appropriate for significantly reducing the level of favoritism and non-transparency, but they have not eliminated these problems entirely. At the same time, while competition results are reported in open access, they include only a short annotation of the supported projects and not the full applications or profiles of the winning organizations.

Distribution of the Funding

SONPOs that are awarded funding in the grant program are included in a special open registry. The number of beneficiaries varies among the regions from a few tens in Vladimir, Belgorod, and Irkutsk to hundreds in Perm, Tomsk, and Novosibirsk. The minimum, average, and maximum amount of funding available for individual grant projects thus differs significantly across the regions. As shown in Table 4, however, there seem to be some patterns at work. While it is far from perfect,

Table 4 Variations in average size of MED regional support program grants, by region, weighted average, 2014

	High level of openness		Low level of openness	
	Region	Thousands of Rubles	Region	Thousands of Rubles
High economic development	Perm	421	Tomsk	No data
	Irkutsk	441	Belgorod	No data
	Overall	427	Overall	No data
Low economic development	Vladimir	162	Tambov	369
	Novosibirsk	580	Ryazan	28
	Overall	449	Overall	131

Data source Register of winning SONPOs in regions

regions ranked highly in terms of openness, including openness to NPOs, tend to provide larger average grants for SONPOs than those with lower openness ratings. Thus, the weighted average grant size in the two sets of regions ranked high in openness (Perm, Irkutsk, Vladimir, and Novosibirsk) was above 400,000 Rubles, whereas the weighted average grant size of the two regions ranked low in openness stood at 131,000 Rubles.

Even at 400,000 Rubles, however, the average grant size even in the highly rated regions was hardly enormous. Expressed in U.S. Dollars and Euros at current exchange rates, 400,000 Rubles comes to roughly US\$6,450 and €5,760, respectively. And this represents both the MED funding and the matching regional funding. This makes clear that this support through the regions hardly constitutes a major part of the funding of NPOs. Data from the regional monitoring efforts carried out by the Higher School of Economics' Center for Research on the Nonprofit Sector and Philanthropy adds further perspective on this point. These data show that only 16 % of all NPOs report receiving funding from local or regional budgets, and only 10 % receive support from the federal government; and these two figures likely have considerable overlap.

Two other features further complicate the fiscal impact of these support programs, moreover. The first of these is the *duration of grant support*. The support provided by regional support programs in the examined regions continues for no longer than one year. This definitely limits organizational capacity to implement long-term, sustainable projects and violates one of the cardinal principles of the increasingly popular concept of “venture philanthropy,” which stresses the importance of long-term commitments to build the capabilities of nonprofit organizations (European Venture Philanthropy Association 2010; Letts et al. 1997).

This feature of the grant programs is particularly problematic in view of the emphasis that MED puts on financing innovative initiatives. Some respondents indicated that the regional support program is creating a “factory of start-ups” by providing initial funding for a great number of social initiatives but then pulling out the funding before the initiatives can be properly seeded. With the help of the grant support, organizations can widen their activities for a short period of time and obtain new experience. But it is very likely that SONPOs have to terminate their new projects when the grant period has passed and several examples of this phenomenon were cited in interviews.¹ However, SONPO representatives did not consider this fact as unambiguously negative. State support is not an essential and basic budget item for most organizations. Therefore its elimination, while it may cause temporary difficulties, need not cause total loss of a program. Complete termination of new projects happens relatively rarely among experienced SONPOs.

The other limitation of the MED grant program funding structure relates to the *eligible uses* of MED support. One of the conditions for participation in the grant competition is a detailed budget that is in accordance with the grant guidelines. Participating organizations cannot alter the spending structure spelled out in the

¹ Interestingly, other regions have changed this practice with their NPO support programs. Thus Krasnoyarsk, which is known as a top region in civil society development and state-NPO cooperation, distributes its regional support to NPOs for periods of 3 years.

grant agreement and must adhere to the program's budgetary guidelines. In the federal grant programs, one of these guidelines is that it is not allowed to spend more than one-third of the overall project grant on personnel costs. This creates a problem for labor-intensive organizations that, based on their activities, spend much of their resources on salaries. NPOs need the contribution of professional staff members, particularly if a new project requires new qualifications and skills in the organization. Project management, documentation, and accountability mechanisms require personnel that the organizations need to pay for. This budgetary restriction disadvantages organizations with high personnel costs and might freeze the development of the organizations. For newly established organizations, the budgetary restriction on personnel costs is less of a problem, as they can include equipment and office material in the project budget.

Shaping the Program Substance: What Got Supported?

Decisions about which organizations to fund and for how much are not simply technical decisions about proper procedures they are also deeply substantive decisions, shaping the programmatic content of NPO work and signaling regional priorities for the activities of NPOs. To be sure, the size of the grants currently involved in the Ministry's support program and many of the regional programs through which these grants flow is not sufficient to be determinative, but on the margin these decisions can send signals that may have impacts beyond the immediate financial sums directly involved. Two issues are involved in the specification of program substance, moreover. One of these relates to the *fields of activity*. The other relates to the *tools or instruments* through which assistance is delivered. We take up both of these issues here.

Fields of Activity

Government support to SONPOs is largely focused on "traditional" social policy issues, e.g., assistance to children, support of child care institutions, assistance to the victims of natural disasters, aid to the elderly, volunteering, and social work. At the same time, recent additions to the list of SONPOs are such additional areas of activity as patriotic education, likely related to the recent anniversary of the WWII victory, but possibly related as well to recent official encouragement of national patriotism more generally.

Within all of these areas of potential work of designated SONPOs, however, the Russian government has set the goal of using the MED and other national support programs to promote innovations and new directions in social welfare programming. This means that organizations seeking support have to "invent" new activities in order to meet the priorities set in the regional grant competition. These inventions may or may not be fully in line with the organizations' original mission or current priorities.

Our analysis of the programmatic content of the grants awarded by the five regions we have examined to date reveals a combination of traditional and innovative initiatives. Based on an analysis of registries of grant winners, we

estimated the rough distribution of grants among three broad fields of activity in the five regions on which we have data. What this analysis reveals is that about 50–60 % of the grants went to organizations working in the general area of social services, including education of volunteers. Another one-third of winning organizations work in the spheres of culture and patriotic education. And the remaining 20 % of grants went to organizations working in the spheres of sport, culture, human rights, and environmental protection. In short, while a slight majority of the grants went for purposes in what would traditionally be considered “socially oriented” activities such as child welfare, elderly services, support for persons with disabilities, care of indigent persons, and the like, an almost equal number went for a broader array of functions including sports, patriotic education, and culture.

Also evident were a variety of innovative efforts. In Perm, for example, a few regional grants went to organizations developing emergency social services and at least one to an organization proposing to provide “baby hatches” to receive abandoned babies in private and governmental hospitals. In Tomsk, one priority area of support included projects on interethnic and intercultural understanding, to promote greater tolerance among different ethnic and religious groups in this traditionally quite diverse region. In Novosibirsk, support was provided to educational projects for preventing HIV/AIDS.

Generally, SONPO representatives did not judge the requirement to identify innovative initiatives to be seriously disruptive of their existing operations. Many of them have a variety of new ideas that they are eager to find a way to try and this program offers an opportunity.

Tools of Action

Quite apart from the programmatic content of the activities funded through the MED and regional SONPO support programs is the question of the tool of government action through which this support is delivered. Such tools can include direct subsidies to organizations through either grants or contracts as well as indirect benefits delivered to organizations through the consumers of their services by means of vouchers, tax expenditures, or other means (Salamon 2002). As outlined more fully in the article by Salamon and Toepler in this volume, the choice of tool can have significant consequences for the impact that government programs can have on NPOs. Thus, for example, vouchers can force nonprofits to market their services to paying customers and often attract for-profit competitors into a field. This can create an uneven “playing field” for nonprofits since they generally lack access to investment capital and therefore are at a competitive disadvantage vis-à-vis for-profit competitors. In addition, some tools can afford more leverage to governments, allowing them to stimulate the commitment of other resources to social-purpose activities. Thus, for example, loan guarantees can help trigger the flow of private loan money into such organizations at a fraction of the cost of government grants or contracts. Although the MED SONPO Support Program is fundamentally a grant program, it is attached to broader support programs at the regional level and it is useful to consider the extent to which the regions involved in this program are utilizing these other tools.

From the evidence at hand, it appears that all of our target regions utilize grants and subsidies for the implementation of socially important projects and programs for SONPOs and individuals. As already noted, financial resources awarded through the MED grant program can be spent both on direct costs (costs directly related to the realization of the project) and indirect costs (overhead costs of the organization, e.g., rent, utilities, and common services).

However, interview data indicates that the variety of support tools that are actually used is quite narrow in most regions. Regions ranked high in terms of both economic prosperity and openness tended to have one or two “signature” or “best-practice” programs of support. For instance, the Novosibirsk regional government initiated support for creating a network of municipal resource centers for NPOs. This practice was then circulated to other regions. In Irkutsk, support was provided for educating, training, and retraining employees and volunteers of SONPOs. In Perm and Tomsk the work of administering the MED Program grant competition was essentially “outsourced” to an NPO, which, as the implementing partner, organized the whole selection process. This pattern of outsourcing is a common one in many countries but carries risks for both the nonprofit and the government. As it turned out, in Tomsk, some violations in the outsourced competition procedure were revealed by federal inspection. Actual reasons and offenders were not clearly identified, but regional authorities presented this case as a failure by the NPO that was responsible for grant the operation. As a result, grant competition operation was “returned” to the regional authorities and the communication between the government and the NPO deteriorated significantly.

Certain variations in using other support tools, e.g., property support in the form of real estate and subsidies for utilities, were identified in several regions. Regions with relatively highly developed civil society sectors are likely to provide property support on a regular basis in addition to rooms for occasional meetings hosted by resource centers. As shown in Table 5, in Perm and Novosibirsk, 8–9 % of SONPOs reported receiving free or reduced rent facilities from the regional authorities. In

Table 5 Use of tool of property access for SONPOs, by region, 2014

	High level of openness			Low level of openness		
	Region	SO NPOs using property support	Percent of registered SO NPOs (%)	Region	SO NPOs using property support	Percent of registered SO NPOs
High economic development	Perm	139	8.9	Tomsk	21	3.1
	Irkutsk	34	1.4	Belgorod	84	5.1
	Average	87	5	Average	53	4
Low economic development	Vladimir	5	0.5	Tambov	25	2.6
	Novosibirsk	344	8.1	Ryazan	3	0.3
	Average	175	4	Average	14	1

Data source Applications of regions to MED, Federal State Statistics Service

other regions, real estate support is much more limited, although in Belgorod about 5 % of SONPOs received assistance in this form. However, in all regions this tool is used with significant limitations: narrow access to such facilities, limited pools of available properties, and poor conditions of the properties that are available.

Information support, social advertising, provision of consulting, and methodological support are widely used in all the examined regions with practically no correlation with level of regional development. The general level of information support is rather high and it does not appear that there are any significant barriers to information access or methodological support for SONPOs. However, mass media coverage of SONPO performance is uniformly poor, and this holds not only for the regional, but also for the federal, level.

Other possible tools of support, such as procurement mechanisms for the purchase of goods and services and tax benefits for SONPOs and their donors, are used in a very limited way if any. The former is a rather unproven mechanism causing a lot of criticism both from SONPOs and from regional or municipal authorities. So far as the latter, regional authorities establish tax benefits only for those taxes that are collected for the regional budget, i.e., the property (wealth) tax and the vehicle tax. Other tax benefits are a subject of federal legislation and are established by the federal tax code and consist mostly of relief from certain taxes for religious or veterans organizations. Regional tax benefits in the current strained socioeconomic conditions have very limited usage in practice.

Program Reporting

The MED SONPO Support Program carries a heavy dose of reporting requirements. Not only do NPOs need to give detailed insight into their project budgets, but also they need to produce a great number of additional documents and certificates. All project activities need to be documented in detail. Not only must recipients report what they did—they are expected to comment on its impacts and outcomes.

Nonprofit organizations that participated in this program indicated that the accountability provisions require a lot of time for the involved staff members. The costs to fulfill the grant accountability requirements are consequently very high, which means that organizations spend a substantial amount of time on project documentation and accountability. Interestingly, however, the accountability reports are not included in open access files at the authorities' websites, making this record of project accomplishments and activities unavailable for research or other purposes.

Policy Involvement

Quite apart from the operational and programmatic content of the MED SONPO Support Program, an equally important dimension of regional support for NPOs involves the extent to which the regions make provision for SONPO in the shaping of regional social welfare and related policies. As we have seen, SONPO involvement in the preparation of the proposals to MED by the regions was limited, but this is largely not needed since the application asks for information that the regional authorities usually have. But what about more general policy involvement?

From the evidence collected, it is clear that there are a variety of institutional channels through which SONPOs can voice their policy priorities and ideas. At the federal level, such channels include permanent roundtables, consultative councils, regional or local grant competitions for social projects, and institutionalized cooperation in externally funded social projects (Cook and Vinogradova 2006). On the regional and municipal level such involvement is viewed as an instrument of synergy and policy improvement. Indeed, representatives of NPOs participate in various commissions and committees, and evaluate and provide input to a variety of policy discussions. NPOs remain unsatisfied that their input really affects the content of policy in a serious way, however.

Conclusion

After having analyzed the implementation of the regional grant support program in Russia's regions, it is now time to take stock and place the program into the broader debate on government–nonprofit relations in Russia. How can we assess the program and what does it tell us about the scope and nature of government–nonprofit relations in Russia?

From the evidence at hand, it seems clear that the regional support programs for SONPOs represent a promising opening. At the same time, it is equally clear that this opening remains quite limited. In the current turbulent times, the greatest need for SONPOs is stability and predictability of their financial and “political” position. So far, however, the regional support program fails to provide such stability, mainly due to its limited grant period and relatively small grant sizes. Grant funding covers only some SONPO projects, and even then only partially. The funds are not available to cover general operational expenses, despite the language used in some regional legislative acts that would suggest otherwise. The shortcomings in the organizational procedures, the cumbersomeness of the application process, the high accountability requirements, the year-to-year uncertainties about continued funding, and the limited funding volumes all hamper the potential impact that these programs could have.

Having noted all of this, it is still the case that these programs, and the federal support to them, have benefits for both the regional administrations and the SONPOs. From the perspective of the regional administrations, the support program mainly fulfills three objectives.

First, it is regarded as a means to respond to social policy problems. Regional administrations aim to develop social policy and seek to include NPOs in the delivery of services. This main motivation is apparent in many of the statutory documents of the regional programs and is also an important impetus in the Ministry of Economic Development, which not only co-finances but also keenly promotes the agenda of supporting nonprofit organizations for strengthening socioeconomic development in Russia's regions.

Second, the program affords regional administrations an opportunity to cooperate with NPOs, as this collaboration is generally seen as an effective and cost-efficient way to deliver social policy. Here, the influence of NPM discourses on public administration reforms in Russia clearly plays a role. Collaborative forms of

governance are regarded by at least some representatives of regional administrations as improving social service delivery and are thus encouraged in the public sector. Linking improvement in social delivery to the inclusion of the external actors—both for-profit and nonprofit—and developing markets between different service providers are important elements in NPM thinking, and have been taken on by the reform agenda of the Ministry of Economic Development. However, such NPM thinking is not widespread among interviewed regional authorities and will likely require more and positive experiences to develop.

The third objective of the grant program from the perspective of the regions is of a more general and speculative nature. One can argue that regional administrations have decided to invest in grant programs to support nonprofit organizations in order to strengthen their political legitimacy both in the opinion of the local population and of the federal authorities. Social policy is an important factor for regime stability. This particularly holds true for regions with a high level of dependency on social transfers. Investing in social policy allows the regional administrations to show that they care about the concerns of the populations and this can “buy” them necessary public support in elections and beyond. By developing partnerships with NPOs, regional administrations can demonstrate that they enjoy public support. Moreover, regional support for the third sector is a clear demonstration of following a recently adopted federal course. By providing such support regional authorities assure their “loyalty” in the social sphere to the federal level.

From the perspective of the regional nonprofit organizations, participation in the grant program has two main advantages. First, the organizations can obtain extra funding for the realization of their activities. As we have seen above, however, this funding is of a temporary and limited nature and does not constitute a primary portion of an NPO’s budget. Due to procedural weaknesses, it is very unlikely that the grant program allows regional NPOs to develop in a sustainable way. The second motivation for nonprofit organizations to participate in the regional grant support programs is the hoped-for opportunity to cooperate with state institutions and to have an influence on policy formation in the social sector. As grant winners, the organizations gain visibility and credibility. Being supported in the regional grant program and included in the registry of regional SONPOs can help the organizations gain other forms of support, including contracts, and thus further develop their activities. In this respect, the regional grant program might be especially helpful for newly established NPOs that can use support in their effort to become accepted as partners in social service delivery.

However, even if the grant program allows the participating NPOs to raise their public image, the leeway for organizations is very limited. Despite the presence of institutional mechanisms for NPOs’ involvement in social policy formation, real input from NPOs is very limited. Current instruments are not working properly, and in most cases, decision-making procedures remain closed. However, some organizations might—on the basis of their expertise, their connections, and their persuasive ability—be able to play a meaningful role in policy formation.

If we now turn to the broader picture of government–nonprofit relations, it can be concluded that the overall trend follows the model of co-optation in Najam’s four-C framework (2000). Co-optation is defined as a relationship

between government and nonprofit organizations where both actors share similar strategies but prefer different goals. Similar strategies in this case means that both government agencies and NPOs work in the social domain and realize programs in response to social problems. Although both actors are concerned with social policy, however, no consensus exists about how to develop social policy and how to define priorities and effective interventions. Nonprofit organizations are, as a rule, not included in policy formation and do not have a say in the development of social policy programs. They merely play an implementing role. Furthermore, their contribution as program implementers is hampered by the fact that government funding to NPOs lacks any form of continuity and predictability.

As of the time of writing, the effects of the regional grant program can therefore only be described as meager. Collaboration between the government and nonprofit organizations exists in Russia's regions, but regional administrations as a rule do not see the nonprofit sector as an equal partner in the delivery of human services. They often approach program implementation solely from the point of quantitative indicators of effectiveness, ignoring general logic for social sphere improvement. Some differences were evident in regions ranked high on indicators of economic progress and openness. In such regions, state support is more likely to perform as it should—to be a valid instrument of government–nonprofit collaboration and mutual development. In the middle- and low-scoring regions, state support is likely to be a limited instrument for financial survival of NPOs.

Organizations, on their part, are often weak and lack the capacities to make a substantive contribution. Some NPOs, however, find a way to develop themselves under the current conditions, gain experience, and achieve a position that can no longer be ignored by government authorities. Based on their authority, these organizations can then play a constructive role in the social sector. Future research is needed to focus on these examples and explain why some nonprofit organizations, despite all odds, manage to use the leeway they have and are able to make valuable contributions to social policy development in Russia's regions.

Acknowledgments This article was prepared within the framework of a subsidy granted to the National Research University Higher School of Economics, Russian Federation by the Government of the Russian Federation for the implementation of the Global Competitiveness Program. None of the organizations with which the authors are affiliated or that have supported their work bears any responsibility for any errors or views expressed here. That is the authors' own responsibility.

Compliance with Ethical Standards

Conflict of interest The authors declare that they have no conflict of interest.

Appendix

See Table 6.

Table 6 Target regions for in-depth study, grouped by rankings on level of economic development and extent of regime openness

	High CSO scale					Low CSO scale						
	Region	GRP per capita	Democratization	NGOs per capita	Participation in NGOs	Average openness rank	Region	GRP per capita	Democratization	NGOs per capita	Participation in NGOs	Average openness rank
High economic development	Perm	13	2	43	7	17.3	Tomsk	11	18.5	45	25	29.5
	Irkutsk	22	4	25	7	17.3	Belgorod	8	52.5	26	55	44.5
Low economic development	Vladimir	41	18.5	40	7	21.8	Tambov	46	44.5	22	54	40.2
	Novosibirsk	32	7.5	23	3	21.5	Ryazan	39	29	29	48.5	35.5

^a Numbers represent regional ranks based on actual values of the selected indicators. All regions were ranked from highest (1st rank) to lowest (53d rank) on each measure. The basis for the groupings was the median of the ranking scale. Regions ranked 1–26 are considered to be in the high group along the respective category and regions ranked 27–53 are low in the respective category

References

- Benevolenski, V., & Shmulevich, Y. (2013). Government support for socially oriented NPOs: Foreign experience. *Public Administration Issues*, 3, 150–175.
- Blomgren-Bingham, L., Nabatchi, T., & O’Leary, R. (2005). The new governance: Practices and process for stakeholder and citizen participation in the work of government. *Public Administration Review*, 65(5), 547–558.
- Bode, I., & Brandsen, T. (2014). State-third sector partnerships: A short overview of key issues in the debate, introduction to the special issue on state-third sector partnerships. *Public Management Review*, 16, 1055–1066.
- Brinkerhoff, J. M. (2002). Government–nonprofit partnership: A defining framework. *Public Administration and Development*, 22(1), 19–30.
- Brinkerhoff, D. W., & Brinkerhoff, J. M. (2011). Public–private partnerships: Perspectives on purposes, publicness, and good governance. *Public Administration and Development*, 31(1), 2–14.
- Brown, K., & Ryan, G. (2003). Redefining government: Community relations through service agreements. *Journal of Contemporary Issues in Business and Government*, 9(1), 15–24.
- Cerami, A. (2009). Mechanisms of institutional change in Central and Eastern European welfare state restructuring. In A. Cerami & P. Vanhuysse (Eds.), *Post-communist welfare pathways: Theorizing social policy transformations in Central and Eastern Europe*. Basingstoke: Palgrave Macmillan.
- Cook, L. J. (2007). *Post-communist welfare states: Reform politics in Russia and Eastern Europe*. Ithaca: Cornell University Press.
- Cook, L. J., & Vinogradova, E. (2006). NGOs and social policy-making in Russia’s regions. *Problems of Post-Communism*, 53(5), 28–41.
- Coston, J. M. (1998). A model and typology of government-NGO relationships. *Nonprofit and Voluntary Sector Quarterly*, 27(3), 358–382.
- Crotty, J., Hallb, S. M., & Ljubownikow, S. (2014). Post-soviet civil society development in the Russian Federation: The impact of the NGO law. *Europe-Asia Studies*, 66(8), 1253–1269.
- Dauć, F. (2015). The duality of coercion in Russia: Cracking down on “foreign agents”. *Demokracija*, 23(1), 57–75.
- Dollery, B. E., & Wallis, J. L. (2003). *The political economy of the voluntary sector: Reappraisal of the comparative institutional advantage of voluntary organisations*. Cheltenham: Edward Elgar.
- European Venture Philanthropy Association. (2010/11). *European venture philanthropy directory 2010/11*. Brussels: European Venture Philanthropy Association.
- Evans, A. B., Jr. (2006). Vladimir Putin’s design for civil society. In A. B. Evans Jr, L. A. Henry, & L. M. Sundstrom (Eds.), *Russian civil society: A critical assessment*. New York: M. E. Sharpe.
- Furneaux, Craig W., & Ryan, Neal. (2014). Modeling NPO-government relations: Australian case studies. *Public Management Review*, 16(8), 1113–1140.
- Lane, J.-E. (2000). *New public management*. New York: Taylor & Francis US.
- Letts, C., Ryan, W., & Grossman, A. (1997). Virtuous capital: What foundations can learn from venture capitalists. *Harvard Business Review*, (March–April), 36–46.
- Ljubownikow, S., Crotty, J., & Rodgers, P. W. (2013). The state and civil society in post-soviet Russia: The development of a Russian-style civil society. *Progress in Development Studies*, 13(2), 153–166.
- Najam, A. (2000). The four C’s of the third sector-government relations: Cooperation, confrontation, complementarity and cooptation. *Nonprofit Management and Leadership*, 10(4), 375–396.
- Petrov, N., & Titkov, A. (2013). *Rating of democratic of regions by Moscow Carnegie Centre: 10 years in formation*. Moscow: Carnegie Endowment for International Peace.
- Salamon, L. M. (1987a). Of market failure, voluntary failure, and third-party government: Toward a theory of government-nonprofit relations in the modern welfare state. *Journal of Voluntary Action Research*, 16(1–2), 29–49.
- Salamon, L. M. (1987b). Partners in public service: The scope and theory of government-nonprofit relations. In W. Powell (Ed.), *The nonprofit sector: A research handbook*. New Haven: Yale University Press.
- Salamon, L. M. (1995). *Partners in public service: Government-nonprofit relations in the modern welfare state*. Baltimore: Johns Hopkins University Press.
- Salamon, L. M. (Ed.). (2002). *The tools of government: A guide to the new governance*. New York: Oxford University Press.

- Salamon, L. M., & Anheier, H. K. (1994). *The emerging sector: An overview*. Baltimore: Johns Hopkins Center for Civil Society Studies.
- Salamon, L. M., Sokolowski, S. W., & Associates. (2004). *Global civil society: Dimensions of the nonprofit sector* (Vol. Two). Greenwood, CT: Kumarian Press.
- Salamon, L. M., Sokolowski, S. W., Haddock, M. A., & Associates. (2016). *Social origins of civil society*. Johns Hopkins University Press: Baltimore. (forthcoming).
- Smith, S. R., & Lipsky, M. (1993). *Nonprofits for hire: The welfare state in the age of contracting*. Cambridge: Harvard University Press.
- Transparency International. (2013). Doklad issledovanie informatsionnoj otkrytosti sistemz raspredeleniia gosudarstvennoj poddershki NKO (*Study of transparency in the public information distribution system for support of NGOs: 2011–2012*). Moscow: Transparency International. Available at: http://www.transparency.org.ru/component/docman/doc_view/570——2011-2012.
- Verschuere, B., Brandsen, T., & Pestoff, V. (2012). Co-production: The state of the art in research and the future agenda. *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, 23(4), 1083–1101.
- Zimmer, A. (2010). Third sector-government partnerships. In R. Taylor, (Ed.), *Third sector research*. New York: Springer.