

Russia: Civil Society Sector Divided

By Yulia Skokova

Russia's civil society sector has a number of distinctive characteristics that set it apart from its counterparts in the EU countries. First, Russia's non-profits are relatively young. It was only after the break-up of the Soviet Union that people in Russia were finally able, for the first time in 70 years, to practise independent self-organisation. In 1995, Federal Law No. 7 on Non-profit Organisations was adopted to regulate NGOs, establish their charter types (organisational and legal forms) and address other legal aspects of their operation. Although heavily amended over the years, this law is still in effect. A few large network-based organisations established in Soviet times continue to operate in the new historical context: various veterans' councils, women's councils and disability societies make up a significant portion of the Russian non-profit sector today and add distinctive features to its overall profile (Ljubownikow et al., 2013).

Another specific aspect of Russia's case is that its civil society sector has faced a series of rapid and often fundamental changes in its environment over the 26 years of its existence. Thus, in the early stages before the 2000s, the government largely ignored the civil society. Living a separate, independent life, Russia's CSOs community raised finances from various sources, primarily from foreign foundations (Sundstrom 2006) and offered training workshops and educational programmes. NGO leaders worked hard to learn more about project design and management, fundraising, etc. However, the sector was in its infancy with only minimal civic participation and limited support from the general public, businesses and government.

In the early 2000s, the government began to shape its policies towards CSOs and broader civil society. As the first step in this direction, President Putin met with representatives of non-profits for the first time in 2001 (Nikitin & Buchanan 2002). A few years later in 2005, the federal Civic Chamber was established as the first institutional product of the new policy, followed by civic chambers in each constituent region of the Russian Federation. These civic chambers were designed to provide a sustained channel of communication between civil society and government (Stuvøy 2014, Richter 2009).

Evidence of the government's plans to take NGO activities under control first emerged in 2006 (Crotty et al., 2014). Legal restrictions on foreign funding of NGOs were imposed for the first time, inter alia to prevent "financing of illegal political activities from abroad". Changes in the law also tightened the registration procedures for NGOs, in particular foreign organisations, added grounds for denial of registration and introduced onerous reporting requirements.

From then on, the government's policy towards CSOs has been increasingly straightforward in seeking to construct a segment of non-profits which do not receive any funds from abroad and focus on social welfare rather than on human rights, advocacy or other potentially controversial areas (Daucé 2014, Salamon et al. 2015).

In the past five years, this trend has translated into new legislation designed to stimulate the former and restrain the latter types of non-profit activities. This new legislation includes, on one hand, the law on state support of socially oriented non-profit organisations, the law

allowing transfers from regional social welfare budgets to NGOs providing social services, and the law on public benefit organisations, and on the other hand, the laws on undesirable organisations and Foreign Agents. This policy has caused the country's non-profit sector to split into two distinct types of organisations: "socially oriented" and "Foreign Agents".

The third distinctive feature of the Russian non-profit sector has been a rapid and significant increase in its performance and impact, despite a decline in the number of registered NGOs. Regardless of the numerous legal restrictions summarised above, Russia's non-profit sector today is one of the prominent players in both the social sphere and public policy. Many Russian NGOs currently operate at the highest professional level and are very visible in society. Despite a number of persistent problems, such as low public trust, poor access to mass media, selective pressure from the government targeting certain organisations, and some others, the Russian non-profit sector has generally made significant progress over the relatively brief period of its existence. A few areas deserve a special mention, such as sustainable development of philanthropy, including both private and corporate giving, and the emerging informal citizen groups set up to address local community issues.

Russian civil society sector in numbers

A few key figures, such as the number of registered organisations, their per capita distribution, scope of activity, public involvement in non-profit organisations and other forms of social activism can be used to characterise the state of Russian civil society today.

According to the Russian Ministry of Justice, the number of registered non-profits stood at 227,000⁴⁵ as of October 2016.

The numbers vary considerably across regions. A little more than a quarter (27%) of all Russian CSOs is concentrated in Moscow, the Moscow region (metropolitan area) and St. Petersburg. On average, there are just 1.5 NGOs per 1,000 Russians, but this number is significantly higher in sparsely populated regions, such as the Far East and the North Caucasus, and in regions with stronger non-profit sectors, such as Moscow and St. Petersburg, and Moscow and Kaliningrad regions.

Most operating CSOs focus on social services, such as helping people with disabilities, trying to prevent child abandonment and working in orphanages. Human rights and environmental organisations have recently become an absolute minority.

"The community of human rights organisations is a tiny community." (Interview R8)

Despite an obvious increase in absolute numbers over the past few years, public participation in NGO activities remains very low as a percentage of the total Russian population (see Figure 33). According to the HSE Monitoring of the State of Civil Society,⁴⁶ the proportion

⁴⁵ Ministry of Justice of the Russian Federation. Data on registered non-profit organisations, available at: <http://unro.minjust.ru/NKO.aspx>

⁴⁶ Bulletin of information and analysis on the development of civil society and nonprofit sector in the Russian Federation HSE Centre for Studies of Civil Society and Nonprofit Sector. No 1 [9] 2016.

Figure 33. Awareness, trust and participation in NGO activities. Data from the HSE Monitoring of the State of Civil Society, 2016

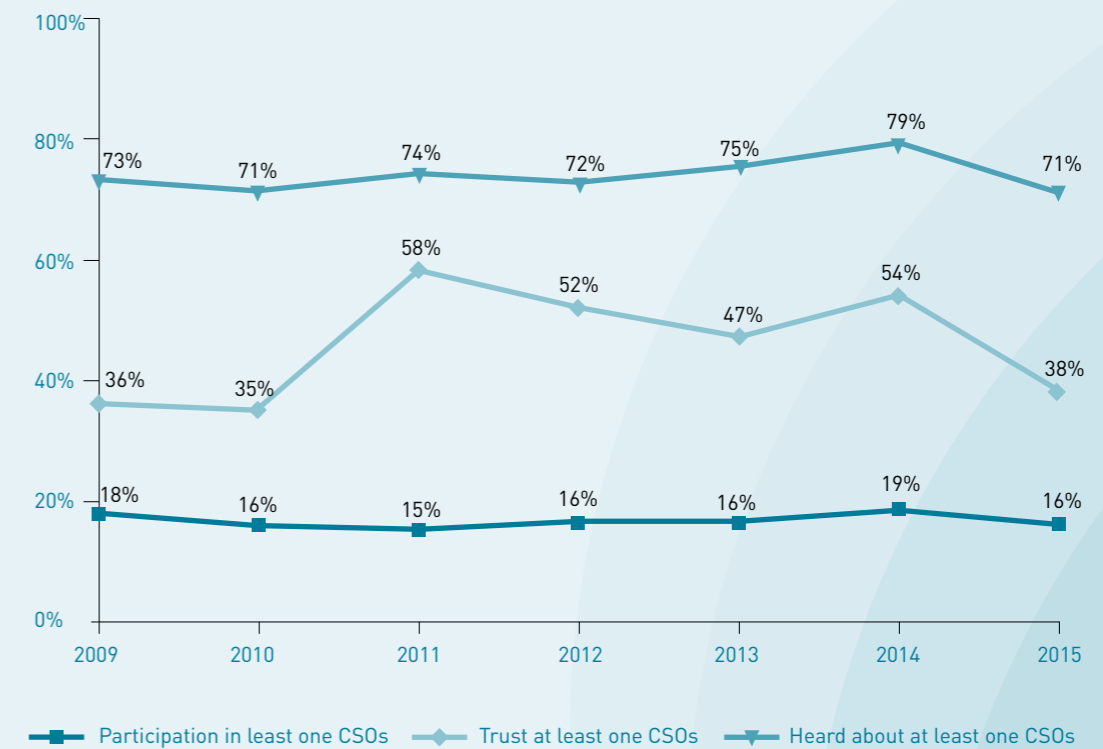
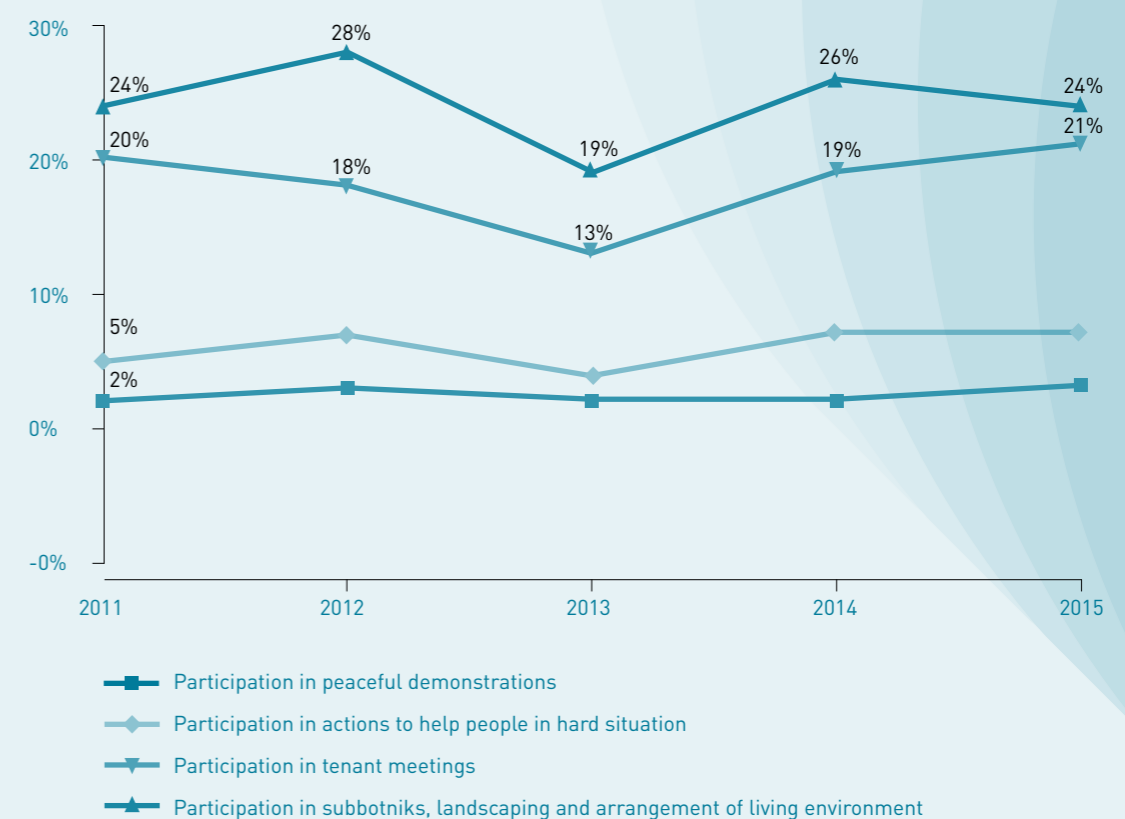


Figure 34. Participation in various types of civil society practices in Russia. Data from the HSE Monitoring of the State of Civil Society, 2016



of Russians participating in at least one NGO varied from 19% to 16% between 2009 and 2015. In particular, public trust in CSOs dropped by 20 percentage points from 2011 to 2015, perhaps due to the negative effect of the 'Foreign Agents' Law.

The proportion of Russians participating in other types of civil society practices is also fairly stable (see Figure 34). Data from the HSE monitoring reveals that Russians are more likely to be involved in volunteer work for the community, such as *subbotniks* (voluntary collective efforts to remove garbage, plant trees, etc. in the neighbourhood), residents' meetings, etc. On average, about one-fifth of adult Russians take part in these types of activities. The lowest participation bordering on the statistical error (2%) is observed in public protests, rallies and peaceful demonstrations.

Legal framework and financing

The legal and regulatory framework for non-profit organisations is constantly changing: since its adoption in December 1995, Federal Law No 7 on Non-profit Organisations has been amended and revised on a regular basis. At the time of writing, the total number of amendments to this law stands at 74, of which almost half (33) have been made over the past four years, and just five were adopted in the first decade of the law's existence. This trend confirms the government's growing attention to civil society generally and non-profits in particular.

The five most recent years have been marked by the most significant legislative changes ever, influencing the situation of the entire non-profit sector and its internal structure. The current policy trend divides non-profits into those operating in the social sphere and considered socially oriented, public benefit organisations, on one hand, and "Foreign Agents" operating in the fields of human rights and environmental protection, on the other.

It can be argued that the recent legislative reforms affecting non-profits started in 2010 with the introduction of the concept of "socially oriented non-profit organisations" to earmark them as priority beneficiaries of state support. "Socially oriented" is broadly interpreted to include areas of activity (18 as of this writing) listed in the law, such as social services, environmental protection, education and many more.

Starting in 2011, programmes have been adopted on the federal level and in certain regions for providing support to socially oriented non-profits. In 2013, the trend was towards increased support of NGOs working in the social sphere. For the first time, new Federal Law No 442-FZ regulating social services specifically mentioned non-profits as social service providers and initiated a process whereby government could delegate social service provision to CSOs and compensate them from the regional welfare budgets. In 2016, another law was passed to reinforce the position of NGOs working to implement social policies; this law introduced the concept of "a non-profit organisation as provider of public benefit services". This category included "non-profit NGOs which for one or more years have been providing socially beneficial services of adequate quality, do not perform the functions of a foreign agent and have no arrears on any taxes, duties or other payments required by the Russian federal law".

There is also an opposite trend towards tighter control and pressure in regard of non-profits operating mainly in the field of human rights. The most notable and widely discussed step in this direction was the adoption of the law on "Foreign Agents". It is noteworthy that the law was passed a few months after the large-scale protests of 2011 and 2012, when people across the country disagreeing with the outcomes of the parliamentary and presidential elections took to the streets to express their discontent. This "rebirth" of Russia's civil society came as a surprise to many, including the government. The "Foreign Agents" law had as its primary purpose silencing and suppression of human rights organisations, such as the Golos Foundation that had monitored the elections and publicised evidence of massive election fraud.

According to the "Foreign Agents" Law, organisations which receive foreign funding (including donations from individuals) and engage in political activity must be listed in a special "register of organisations performing the functions of a foreign agent". The authorities have used this law as an instrument of selective pressure targeting human rights organisations. Since its adoption, the law-enforcement authorities have conducted large-scale inspections of non-profit organisations, some of which were included in the "Foreign Agents register" and thus forced to suspend their operations or even dissolve in a number of cases.

According to the Ministry of Justice, as of October 2016, 144 non-profits are listed in the "Foreign Agents register".⁴⁷ The law on "undesirable organisations" passed in 2015 enables the Russian authorities to ban international non-governmental organisations which the Prosecutor's Office finds to be "threatening the country's constitutional order". Organisations banned so far are those which substantially supported the establishment of Russia's non-profit sector in the 1990s, namely the Soros Foundation, the National Endowment for Democracy, the National Democratic Institute for International Affairs and some others (a total of seven organisations as of October 2016).

While the two opposing trends described above require in-depth analysis and reflection, their coexistence reflects the diversity of Russia's non-profit sector today. It is impossible to say with certainty that the recently introduced system of state support has always benefited regional non-profits. Nor is it possible to claim that all non-profit organisations are facing harsh repression from the authorities. However, both the so-called "socially oriented" non-profits and "Foreign Agents" share common problems, such as low public trust, shortage of funding and limited public involvement in civic activism and charitable giving practices.

Financing

The financial situation of Russian non-profits has changed dramatically since the 1990s. As noted earlier, foreign grants used to finance a significant part of many CSOs' budgets. The main reason for their heavy reliance on foreign grants was the absence of other funding sources. State support was absent, while society and business were not yet ready to engage in charitable giving or corporate social responsibility. Eventually, CSOs began to diversify their funding sources. By now, the structure of their monetary income has changed

⁴⁷ Ministry of Justice of the Russian Federation. The activities of nonprofit organisations. Register of NGOs performing the functions of a foreign agent, available at: <http://unro.minjust.ru/NKOForeignAgent.aspx>

drastically. This is first due to the emergence of a huge number of small organisations financed by their own leaders and activists, and second, to the legal barriers to foreign funding and increasing support from domestic authorities.

According to Rosstat,⁴⁸ the nationwide average proportion of foreign funding of Russian NGOs stood at just 3% in 2013 and 2% in 2014. Interestingly, the largest share of foreign funding was reported in the Republic of Ingushetia (13%) in 2013 and in Sakhalin region (21%) in 2014.

On average, CSOs earn between 40% and 50% of their funds, including proceeds from the sale of goods and services and property rights, their sale to municipal and public institutions and income from endowment funds.

The proportion of charitable contributions stands on average at 10% to 20% of NGO income, including grants and donations from non-profit and commercial entities and charitable giving by private individuals.

Government financing of CSOs has increased significantly in recent years and is now available from all levels of government, including federal, regional and municipal. According to a report published by the Russian Ministry of Economic Development,⁴⁹ financial support of NGOs totalled 4.3 billion roubles in 2014 and 7.2 billion roubles in 2015, granted to a total of some 6,000 organisations. Nearly half of all funds provided to NGOs were awarded as the so-called Presidential grants (see Table 17).

Government authority providing support	Amount of support (thousand roubles)		Number of recipient NGOs	
	2014	2015	2014	2015
Presidential Administration	2 968 000	4 228 200	1276	1377
Ministry of Economic Development	926	859.4	4630	3964
Ministry of Culture	784 873.5	2 077 372	58	199
Ministry of Labour	746 368.4	765 598.3	16	17
Federal Drug Control Service	-	10 200	-	8
Rospeschat (Agency on Press and Mass Communications)	83.9	93.3	33	37
Rosmolodezh (Agency on Youth Affairs)	18 000	74 000	24	44
TOTAL	4 248 251.8	7 208 635.2	6037	5762

Table 17. Federal support of NGOs in Russia. Data from the Ministry of Economic Development, 2015

48 Russian Ministry of Economic Development, Portal of the automated system of information on support of socially-oriented nonprofit organisations, available at: <http://nko.economy.gov.ru/Statistics/rosstat?year=2013>

49 Russian Ministry of Economic Development. Annual report on socially-oriented NGO activities and development, 2015, page 7.

In terms of regional funding, since the adoption of the federal law on socially oriented organisations in 2011, most Russian regions have launched their own NGO support programmes which provide free or subsidised office space, legal, informational and methodological support to non-profits.

It should be noted that the NGO revenue structure described above reflects the countrywide average and may be very different for individual organisations whose sources of income vary widely depending on their field of activity, charter type and region. For example, most CSOs operating in the social sphere are financed by grants from authorities at different levels. In terms of charter types, many foundations are supported by individual or corporate donations – the latter is particularly true of corporate foundations.

Membership-based organisations (associations, unions and partnerships) mainly live off member contributions. The situation also varies across regions. The proportion of CSOs funded only by their leaders and activists is much higher in regions with underdeveloped civil society compared to those where civil society is traditionally more advanced, including Novosibirsk and Perm, as well as Moscow and St. Petersburg.

In terms of absolute figures, the average annual income of a non-profit organisation varies from region to region. According to Rosstat, the lowest average annual NGO income of 217,000 roubles is reported in the Altai Republic and the highest amount of 16,641,000 roubles, exceeding the former by more than 76 times, is reported in the Chukotka Autonomous District. It needs to be noted that Chukotka has just 115 non-profits, and while their aggregate income is quite low at 1,913,000 roubles, it works out quite high if calculated per organisation. The countrywide average is 1,879,000 roubles per NGO per year.

Data

In total, the questionnaire generated 248 responses from Russian organisations working in various fields (social policy, human rights, environment) and on different levels (local, regional, national, international). In addition to Forum members, e-mail addresses were obtained from public sources, and a link to the survey and a letter with an invitation to take part in it were emailed to more than a thousand organisations.

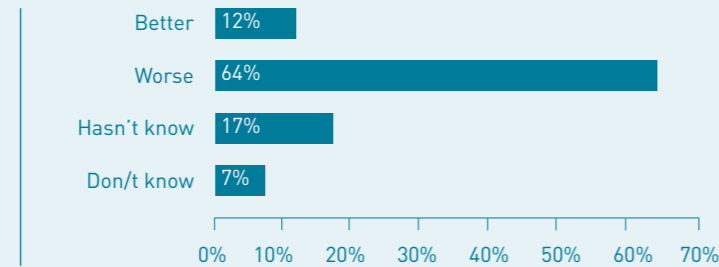
The participating organisations work in various fields, such as human rights (24%), environment (19%), social policy (15%), youth and education (12%), history and culture (8%) and 1% engage in club activities. In addition to these, 21% of the organisations were unable to choose a single area of activity, stating instead that they worked in a number of fields at once. More than half of the surveyed organisations work on the regional level (54%), one-third (31%) operate on the national level, one-quarter (23%) work internationally and the remaining one-fifth (21%) of organisations work on the local level. Their years in existence range from 1-5 (18%) and 6-10 (16%) to 10-20 (31%) and more than 20 (34%). Two-thirds (67%) of the surveyed organisations involved up to 50 persons (including employees, members and volunteers) in their activity in 2016.

In addition to the survey, 11 in-depth interviews were conducted with managers and employees of NGOs operating in the social, human rights, environmental, civic education and other fields. The interviews, lasting between 30 minutes and one hour, were conducted via Skype or on the phone.

Challenges for CSOs in Russia

CSOs vary in their assessment of the rapid changes in the sector's development. In the Russian case, two-thirds (64%) of the surveyed CSOs have a negative opinion of the recent changes, while 12% assess the changes as positive and 17% say that the situation has not changed. It is noteworthy that human rights and environmental organisations are more than twice as likely as those working in the social sphere to assess the changes as negative: 82% and 79%, respectively of the former versus 39% of the latter type.

Figure 35. Distribution of responses to the question "How do you evaluate, has the situation of your NGO become better or worse during the last three years?" (in per cents, N =192)



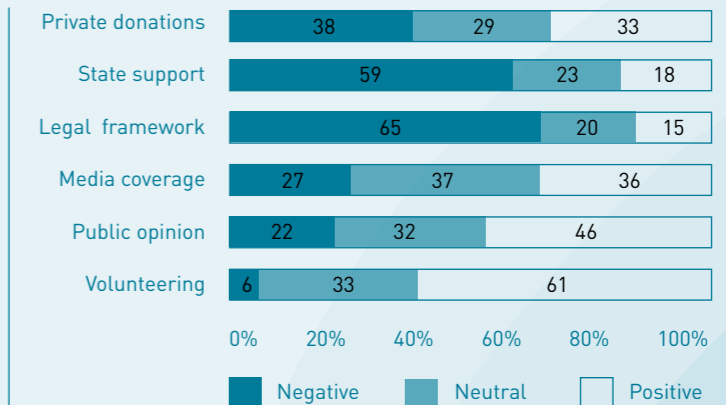
According to 59% of the respondents, the legal framework has been their greatest challenge. As mentioned above, the current legal regulation creates unequal conditions for different organisations. Moreover, it creates an artificial division between organisations considered 'socially-oriented' and therefore supported, and those deemed "Foreign Agents" and therefore suppressed.

"Changes in national laws have tightened the regulation of independent NGOs in Russia. In fact, the government has divided NGOs into two camps. There is that list of 'Foreign Agents'; this status prevents organisations from competitively participating in public affairs and social policy." (answer to an open question)

The "foreign agent" status has undermined the public image of non-profit organisations. According to many CSOs, their operation has been "stigmatised" and "marginalised" in Russian society.

"As for the legislation, i.e. the law on Foreign Agents, we are not currently receiving any foreign funding, but I believe the really important thing is that this law undermines the public image of non-profit organisations in principle. When this law was in the process of being adopted and discussed, I could hear from people, "Those NGOs, they are all [foreign] agents." We had worked for so many years to build our image, to earn public trust and get people to volunteer and make donations, and here we are now. This law has clearly caused quite a lot of damage, particularly to our public image. And of course, the organisations themselves have been affected, and we know it. It should not be like that, I think." (Interview R3)

Figure 36. Distribution of responses to the question "How do you evaluate the context conditions for your CSOs with regard to legal framework, financing, private donations, public opinion, state support, volunteering and media coverage?"



"We have become outcasts in our own country." (answer to an open question)

Financing their operation is the second biggest challenge faced by non-profit organisations in Russia. While foreign grants are now taboo, less financing is available domestically due to the country's difficult economic situation, closure of the Ministry of Economic Development's regional socially-oriented NGO support programme and dwindling funding from local budgets. In addition to this, low public and corporate trust has a negative effect on CSOs.

"The sector's overall situation is challenging. [Lack of access to] foreign funding is not the main reason why organisations are in crisis. Our region has never had many organisations receiving foreign funds.... A really big problem is that the programme financed by the federal Ministry of Economic Development has been discontinued. This programme provided [financial] support to regions across the country enabling them to distribute subsidies to CSOs. ...And now that due to the crisis no money is available in our regional budget for NGO support, this [federal] programme has also ended... Today, NGOs at both the local and regional levels have very few opportunities for obtaining support." (Interview R4)

"Our problems are common for those of us deemed 'Foreign Agents'. It is absolutely certain that all sources of government funding, which we used to access quite often in the past, are now closed to us. We also have serious problems with accessing funds from businesses. As an example, many companies, particularly those with foreign participation, have a clause in their [grant] contracts that the recipient should not have any problems with the authorities. Accordingly, if the [Russian] authorities have problems with our activity, our contracts [with corporate donors] must be terminated. It is unlikely that businesses, particularly big businesses, for which government relations are an important aspect of overall

performance, would support 'Foreign Agents'. Oddly enough, in contrast to human rights organisations, we have lost almost all our Western donors, those 'social' donors who are now more cautious working in Russia for fear of the 'Dima Yakovlev' Law and some others, so they prefer not to support 'Foreign Agents' openly, if at all. In this respect, the situation is quite challenging. We have a precious few potential funding sources left, and this is indeed a new challenge to our organisation's financial sustainability." (Interview R4)

Nevertheless, a number of organisations consider the current financial challenges as an opportunity to rethink their activities, diversify their funding sources and gain financial independence.

"This seemingly negative trend can in fact serve as a strategic foundation for promoting NGOs' financial independence and also their political independence. Stronger and more professional NGOs are now considering ways of generating an independent income via service provision (e.g. in education, health, culture and social sphere). As for those NGOs that are slightly weaker, they are thinking about hiring younger people, including those with entrepreneurial skills. This may lay the basis for genuine partnership and cooperation between NGOs and businesses, which is fundamentally different from the donor/grant-seeker model." (Interview R4)

Almost half of all organisations surveyed share a negative assessment of the current government support of non-profits. This opinion is based on examples of unfair, from the NGO perspective, distribution of government grants. The interviewed leaders of organisations often mentioned corruption in the government's grant-making system.

"There is a certain group of organisations which always have access to [government financial] support, and getting in this group is very difficult. And I keep hearing the same thing from colleagues in other regions: there seems to be [government financial] support available, but getting in the circle [of those granted such support] is extremely difficult." (Interview R11)

"Although government funding is announced as an open call, it is clearly a closed competition. There have been so many publications about it that I have nothing more to say. Regional funding has decreased several-fold. And once again, it turns out to be a closed competition. Both businesses and the public are negatively affected by this." (Interview R4)

Yet for some organisations, even a small grant from the government can be essential for continuing their operation and for survival.

"It has been a challenging year, we ended some of our large-scale projects. We have refused foreign funding and only accept Russian grants. Therefore, we find it difficult to finance the organisation's administrative costs and numerous ongoing initiatives. We have successfully received one Presidential grant. Hopefully, there will be opportunities available on the federal and regional level to help us support all of our projects." (Interview R4)

The third major challenge faced by CSOs, which in many ways is the root cause of many other problems, is a lack of public awareness of NGO activities and low public trust.

"Public attitudes towards civil society organisations are that they are money-launderers, or else they should work for free and be totally altruistic. There is no middle ground between these [two extremes]. Many people are not sure what a non-profit organisation is." (Interview R5)

"We used to have print media reporting on our activities literally every week, but recently they have 'turned off the tap' on us in the press, although many outlets, both regional and the federal, used to cover us before." (Interview R1)

The fourth challenge is the increased amount of red tape and administrative costs. Non-profit organisations are forced, in their own words, "to file reports almost every month", and the resource centres "have doubled" the amount of educational materials used to train NGO workers in filling out the required reports.

"Starting this year, the tax authorities and pension fund have tightened their reporting requirements. There is cheating and pressure [on their side]. In recent years, we have reported 'zeros' [in financial statements]. But [the authorities] keep imposing fines on us, sometimes as large as one to three thousand [roubles], for failure to submit a report on occupational diseases of our volunteers. We operate without funding, yet we are forced to file reports almost every month with the Pension Fund, reports with 'zeros' in them. They keep cheating and changing deadlines and then punish us for failure to report on time." (Interview R1)

"There's an absolute increase in administrative costs. Moreover, I can even say that it is not unique to NGOs, but applies to any administrative structure, whether it is a business, individual entrepreneur or some other entity. There have been an ever-increasing number of warnings

and penalties for every error in reporting to the Pension Fund. Once you hire someone officially, your reporting requirements increase and you face colossal fines for every error.” (Interview R4)

The fifth challenge, mentioned less frequently yet characteristic of the current context for the non-profit sector, is the government’s pressure on certain organisations.

“We have faced situations where certain government officials saw some hidden threat in a particular announced topic for discussion or keynote speaker. We have heard of a few such cases where individuals invited to attend a discussion came under pressure or received ‘friendly advice’ to discourage their attendance of the event. Another thing we have faced from time to time is administrative pressure on organisations providing a space for discussions organised by our club; these organisations have received warnings of ‘potential problems’ should they host our meeting.” (Interview R2)

Overall, a few trends have recently been observed in Russia’s NGO sector. First, as a result of the laws pushing in different directions, the sector continues to be split into those operating in the social sphere and considered to be working for “public benefit” and those operating in the fields of human rights and environment, which are considered controversial.

“They are working to split the sector. Clearly, they started by dividing the sector into those dealing with human rights and those providing social services. Then they split those working in the social sphere based on whether or not they are public benefit organisations. The sector’s fragmentation and lack of mutual trust have been caused not only by government policies, but also by certain internal trends, i.e. when certain NGOs were created specifically to become the recipients of Presidential grants; although they are called NGOs, in reality their only purpose is to consume this resource.” (Interview R4)

Many organisations working in the social sphere today enjoy substantial support from the state. In addition to individual grants awarded to “socially oriented” CSOs, starting in 2015, the law on social services makes it mandatory for regional authorities to transfer a portion of their social welfare budgets to relevant NGOs. This provision opens up new possibilities for professional organisations to be integrated in the public system of social service provision and have a sustainable budget to finance this activity. Despite a few issues with the implementation of this law and with accessing state support, socially oriented NGOs tend to assess these steps taken by the state as positive rather than negative.

“If we do not consider human rights or expert organisations, but only focus on those NGOs which work in the social sector and serve certain client groups, we can clearly see a trend towards delegating social services to NGOs, which is associated with a change of attitude in the government towards NGOs as social service providers. This can be the future of a fairly large number of Russian NGOs which provide services to certain groups. Such NGOs can gradually become integrated in the [public social services] system, get listed in the registers of social service providers and expect to be compensated for their services from the public budget. The going will be hard, things are complicated, we all know the challenges, but nevertheless, strategically and politically this can be a very important step, and I believe that it opens up good prospects for organisations working in the social sphere” (Interview R3).

On the other hand, the situation of NGOs working in the fields of human rights and environment has been getting progressively worse. These organisations have been particularly affected by the “Foreign Agents” Law. Our findings reveal that these types of organisations today face a severe shortage of financial resources. Since their activities are stigmatised in society, businesses find supporting them too risky, while government funding is granted to just a few human rights groups. Faced by this problem, many human rights and environmentalist groups were forced to choose one of the following strategies: accept the “foreign agent” status and thus significantly limit the scope of their operation and fundraising opportunities, dissolve the registered organisation and continue as an informal group or completely stop any activity.

“The situation is extremely challenging for human rights organisations. The current legislation treats their activities very unfavourably. Most of them continue to receive foreign funding and are then forced to work hard to either challenge this status or, in some cases, just accept it – some organisations choose the path of non-resistance, and then they face difficulties in working with the public and public opinion, since such organisations are treated with suspicion...Honestly speaking, things are not exactly positive; instead, the trend has been negative so far. New organisations are being added to the [‘Foreign Agents’] list, and there are some new ones added to the list of ‘undesirable organisations’ – those which have also worked, have tried to work in Russia. Now there is no such possibility. ... It is so distressing, this choice leading to isolation.” (Interview R3)

Second, there is a growing number of GONGOs (government-organised NGOs), whose positions are becoming increasingly stronger with government support. Outside observers, such as other non-profits, often describe this situation as ‘imitation’ of civil society by the state.

"[We have observed] the dissolution of existing support funds and programmes and their replacement with imitations, government-supported GONGOs ... These include, in addition to NGOs, the so-called 'civic chambers', which are essentially part of the administration, and 'community councils', which are essentially affiliated with government departments." (Anonymous response to the online survey)

"The current trend is towards – how do I say it? – governmentalisation. There are organisations which appear to be NGOs, but their relations with the government are so close that these organisations are effectively pro-governmental." (Interview R3)

Third, there are a growing number of organisations focusing on patriotic and military-patriotic education and organisations promoting international and intercultural cooperation. This trend can be explained by the availability of special grants for such organisations on the federal and regional level.

"There is a trend among NGOs to choose non-political, safer topics. In particular, we provide civic education, and some other organisation working in this field are starting to get involved in some other things instead of their core activity. Let's say there is a project to support urban initiatives, but if we want to look deeper and educate members of the urban community how to stand up for their interests, [the authorities] do not need it, and you will face obstacles. If we wanted to address topics such as democracy and citizenship, we would alienate schools; it just pushes people away from you. Organisations try not to raise such topics." (Interview R5)

And finally, the entire sector of non-profit organisations is shrinking. The reasons include numerous legal barriers, dwindling opportunities for fundraising, soaring administrative costs, and the overall negative attitudes and distrust in society.

"The sector is shrinking. There was a time when attitudes towards NGOs were normal and funding was available, and the sector was actively growing. It could be seen from the number of new and interesting projects and new organisations emerging. Today, [the remaining NGOs] are just surviving." (Interview R8)

"A question arises for many people, especially those who were driven by enthusiasm when they came to work in NGOs, and the question is, why bother. Some people just suffer a burnout, lack the energy and resources, and some become apathetic expecting that things will only get worse. Some people ask themselves, do I really need it?" (Interview R4)

Best practices: How CSOs respond to challenges

Organisations have adopted different solutions to the problems described above, and a few can be highlighted as best practices.

The first solution is to develop professional expertise in a specific field. It enables the organisation to be in high demand and hold a unique position among its primary stakeholders, such as government, business and other non-profits. Moreover, narrow professionalisation lets organisations get additional reputation-influencing opportunities to attract donors' financial support. But this way is available for more experienced organisations, who found their own niche:

"Professionalism is very important. We have always pursued our goals in our own way. We have never attempted to seek grants for any other type of activity, although we might have succeeded. But one needs to preserve, not diffuse, the organisation's focus." (Interview R8)

The second solution for strengthening the organisation's position is building a network. A lot of CSOs create informal networks with other CSOs working in the same field. This strengthens the positions of these CSOs in the public sphere due to the stronger positioning as a collective actor and better visibility. For the internal CSO structure, the availability of the network let them easy and quickly exchange experiences, information about important event, support in difficult situations.

"Our unique experience is that of creating a network of organisations. Survival is a struggle for regional NGOs without some kind of centre... It can be much easier to access financial support for a large [network-based] organisation as opposed to an isolated regional group. And it can be much easier to transfer knowledge by providing network-based training and educational projects... Having a strong core makes it easier for us to deal with both donors and partners because the organisation is large and visible. It helps with raising funds. Second, we have served on all major [community] boards and councils. We make sure to keep in touch with human rights organisations; should we need legal advice, we can ask our partners, and we can have public support. It just works." (Interview R8)

The third approach is strategic planning. As a rule, CSOs are more flexible regarding external and internal challenges. It is an advantage in comparison with commercial organisations. Nevertheless, this has also an opposite negative side: by being in the constant process of reaction on the current challenges CSOs seldom formulate strategic plans for their development. Therefore, some CSO leaders see the necessity of adoption of the road maps elaboration, organisation of strategic sessions, other methods, which are usually used in business. It lets CSOs see their own development perspective as a sequence of concrete tasks towards formulated goal.

“Strategic planning and reflecting on their situation in the current realities is important for well-established organisations... We believe that well-established organisations with traditions need an upgrade. They need a new critical perspective on the current economic and social reality, on their support groups and target audiences, and possibly on a range of other issues ... Even older organisations with a long history of operation need new people with new ideas. Younger people may be in a better position to deal, for example, with new types of media, and change approaches to governance.” (Interview R4)

Mostly important issues among CSOs are connected to the training of fundraising skills. The need for this is conditioned by the law diversification of the funding sources for CSOs: each third organisation (32%) has only one source of funding (Korneeva 2016). Unstable financial situation of CSOs creates a need to train the fundraising skills. During recent years, the number of educational online and offline programmes for fundraising increased significantly. But the income structure of CSOs remains quite traditional: only 1% of CSOs apply crowdfunding. In general, it means that the training of fundraising skills is for the Russian CSOs not only necessary strategy for financial sustainability, but also potential opportunity for the whole sector:

“Proactive fundraising. Organisations today need to look [for resources] in a number of different directions. We need to learn new things and make an effort to explore various potential sources of funding, instead of relying on just one familiar source that we have used for many years, which may no longer work today.” (Interview R4)

The fifth best practice is aimed at the overcoming of the low level of information and trust to the CSOs activities. A number of organisations, who see the problem of CSOs public perception as a key problem, try to increase the knowledge of people about CSOs and the opportunities they provide through mass media, own on-line media and social advertising.

Some organisations speak also about the law understanding of CSOs also among the authorities. To solve this problem, a need to teach the authorities on issues of interactions with CSOs is recognised:

“We need to go out and educate them... We need to tell municipal officials about our activities, explain to them what non-profit organisations are and why we can work together. We need to demonstrate how NGOs can add value for local governments and businesses. Not only teach NGOs how to fundraise, but try another approach as well.” (Interview R6)

Conclusions

Today, Russia’s civil society and non-profit sector face multiple challenges, internal as well as external. Certain challenges are quite common and include problems with finding sources of finance, cumbersome internal bureaucracy, low public awareness of NGO activities and low public trust. But the most important are external challenges connected with the legal framework and state support.

Thus, with the help of legal regulation and financial instruments, the Russian official policy towards CSOs is aimed at their division: on one hand, the government has been creating a favourable environment for organisations working in the social sphere, but on the other, has taken restrictive measures against human rights and environmental organisations. These two opposite trends reflected in the legal framework are experienced by organisations in their everyday work as the government’s “two hands” acting in different ways in respect to civil society.

As a result, civil society is faced today with the problem of internal division into “us” and “them”, into those who are “relevant” and those who are “always in the way”, and with the challenge of restructuring. By strengthening the financial positions of socially-oriented organisations and cutting off access to foreign and domestic funding for human rights organisations, this policy has shaped a new structure of the non-profit sector, characterised by major internal imbalances. Its implications are yet to be fully understood, but the observed trends, according to the CSOs surveyed, are already well-established and most likely long term.

Nonetheless, organisations are finding ways of dealing with these challenges by building and expanding their regional networks, reaching out to traditional and new media, continuing to develop professional expertise and reconsidering strategies of fundraising and strategic planning.

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Federal Law No 442-FZ of 28 December 2013 on Fundamentals of Providing Social Services to Russian Citizens

Federal Law No 7-FZ of 12 January 1996 on Non-profit Organisations.

List of Interviews:

Interview R1: regional environmental NGO

Interview R2: local club

Interview R3: regional infrastructural NGO working on civil society development

Interview R4: regional infrastructural NGO working on civil society development

Interview R5: local NGO working on youth services

Interview R6: local NGO working on social services

Interview R7: national NGO working on youth services

Interview R8: national human rights NGO

Interview R9: regional infrastructural NGO

Interview R10: regional human rights NGO

Interview R11: local NGO working with social services