

THE EVALUATION AND MONITORING OF TRANSPARENCY IN SOCIALLY ORIENTED NONGOVERNMENT ORGANIZATIONS IN RUSSIA

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Abstract

In this article, the author demonstrates the practical use of the instrument for measuring the openness and transparency of the socially oriented nongovernmental organizations (SO NGO), which receive government subsidies. The sample for analysis is selected among the winners of the government grant competition in 2013. The goal of this study is to calculate the level of transparency of the SO NGOs by using the web-content analysis (WCA) developed by Russian scholars (Pavlov et al. 2012), which tests the availability of particular parameters of NGO transparency. The analysis of 42 SONCO has proved that the majority of the sampled SO NGOs achieve the coefficient of information accessibility (CIA) above the average. The WCA is a flexible and standardized instrument that can be recommended for the evaluation of transparency in the NGOs worldwide.

Key words: NGO transparency; NGO government subsidies; measures of NGO transparency in Russia; measures of transparency; coefficient of information accessibility.

Introduction

Working for common good is different from working for private good in that the demands for transparency and accountability are more intense in public and nongovernmental sectors. The nongovernmental sector organizations constantly experience pressure to be open and transparent, to be responsive to clients' needs and accountable to watchdog organizations, tax and legal authorities, government and donors (Lee, 2004). Currently, the public has increased expectations of transparency and accountability on behalf of the nongovernmental sector organizations because in the era of information technology, the news of fraud and failures within the sector travel fast. The public wants to know how the sector allocates donated resources and demands "control over institutions, rather than relying on confidence in them" (Anheier, 2005, p.240).

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In Russia, government formulated formal requirements for the socially oriented nongovernmental organizations (SO NGOs) to open to government scrutiny in 2012 with the adoption of the Law # 121-FZ in the article 32, item 3.2³. The law requires “those SO NGOs that receive government subsidies must publish on the Internet or in mass media reports on the SO NGO activity.” This law establishes reporting requirements for public organizations funded by government money. Accordingly, government agencies expect having access to annual reports and financial statements from the SO NGOs participating in government tender processes.

To comply with law requirements, government assigned several grant-operators to evaluate the effectiveness and transparency of the SO NGOs – the subsidy receivers. Yet, the general public and other stakeholders of those SO NGOs have no access to the paper-based annual reports and financial statements. Currently, some NGOs in Russia started publishing information on organizational websites voluntarily. They use the Web 2.0 technology as the opportunity to become more transparent to the public, to attract private and corporate donors, volunteers, and clients.

The World Wide Web (www) technologies influence the communication style and the relationships between the nongovernment organizations (NGOs) and their stakeholders. Ideas, people, and organizations become accessible at the mouse-click for the Internet browsing public and government experts. Modern NGOs get involved in virtual exchange with the general public and donor organizations. The term “Web 2.0” describes upgraded Internet technologies, which help creating highly social interactive online spaces, which are accessible for all with the Internet connection. Web 2.0 technology facilitates users to interact with content in new ways: collaborate with each other in a social media dialogue, exchange photo and documents, engage in open and inclusive communication. Making information available to all stakeholders has been seriously improved by the interactive media – Facebook, Youtube, Twitter, and V Kontakte (Russia). Because the Web 2.0 technology is free, it opens new opportunities for the NGOs to be more accountable and transparent, which, in turn, helps gaining trust of current and future supporters (Dumont, 2012). However, the availability of Web 2.0 technology creates opportunities and limitations for the NGOs. Among the opportunities is the possibility to broaden the appeal to funding organizations, to recruit volunteers, to inform communities and individual clients about the NGO mission and services. The limitations are often related to available resources: the use of the Web 2.0 technologies require new expertise, enhanced security, new software and equipment (Greenberg & Grosenick, 2008).

When the dialogical exchange of information requires special expertise, it may delay its regular use by some NGOs and lead to the perception of the NGOs being less transparent. The

³ Sistema GARANT [Система ГАРАНТ]: http://base.garant.ru/10105879/6/#block_600#ixzz3nEtrR2eg

lack of transparency tarnishes the “good fellow” image and lowers the donors’ trust in particular NGOs. The logic of trust rests on the premise of appealing mission, effective and efficient operation, and fully open information about the NGO spending, goal achievement, and client satisfaction. Regular reporting and proactive disclosure facilitate trust and increase outside funding (Brown, 2005). Modern Internet has become a platform to provide information to the public and donors.

Fox (2007) argues that the accountability and transparency are not the same social phenomena, although they are logically connected. Accountability is closely connected to measuring goal achievement and client benefits. It is context based. While transparency means the openness and accessibility of relevant information to stakeholders. Although transparency facilitates accountability and is instrumental for openness to a variety of stakeholders, it may or may not invoke higher level of accountability. The notion of accountability describes the process of answerability of the NGOs to donors and major stakeholders on resource allocation and mission delivery. Transparency, on the other side, describes the state of the openness of the nongovernmental organizations’ information about the programs, the funding, the staff, the results etc. to all people concerned (Fox, 2009). The instruments for measuring accountability and transparency may be different. A pluralist logic calls for broader notion of accountability to multiple stakeholders (Coule, 2015). With regard to the debate of the similarity and difference between the accountability and the transparency, this research considers the notion of the NGO transparency and on-line procedural accountability, which arises from the controlling agencies requirements. Transparency is viewed as broader openness of the NGO to the public, which leads, but not necessarily provides for accountability. Procedural accountability is defined as the fulfillment of government requirements to publish financial and annual reports. This study uses the term transparency as a unifying concept that defines the access to information about the organizations and as procedural accountability. Although the advances of the Web 2.0 interactive technology make the NGOs better equipped to develop the dialogical relations with stakeholders (Candler and Dumont, 2010), several studies suggest that the second stage of the accountability development - the dialogue with different types of stakeholders – is in its early stage (Greenberg & Grosenick, 2008). Waters and Feneley (2013) argue that in spite of availability of social media technology, nonprofits face obstacles to initiate social media communication. Therefore, this study does not measure the intensity of on-line interaction, but counts existing communication tools as contributors to transparency.

The first goal of this research is to test the new instrument to measure the level of transparency of a sampled SO NGOs in Russia. *The second goal* is to determine the level of transparency among the SO NGOs - government subsidy winners in 2013. *The third goal* is to

determine how this new instrument compares to government requirements for transparency for the subsidy recipients SO NGOs. Finally, *the fourth goal* is to formulate recommendations to improve transparency among SO NGOs and other types of NGOs in Russia and abroad. The new instrument of the web-content analysis is flexible by design, and can be adapted to different types of NGOs with the variety of goals and methods of service delivery. It can be used by NGOs and controlling organizations, in different countries and for different transparency evaluation goals, either for the contract selection process or to prepare and deliver grant reports to donors.

The novelty of this research is the application of a new Internet-based instrument – “web-content analysis” (WCA) - for measuring transparency in nongovernmental organizations⁴. This method offers the instrument for systematic and standardized analysis of the content of nongovernmental organizations web sites to satisfy the requirements of granting organizations, controlling agencies, individual and corporate donors, clients and volunteers. The *second novelty* is that this study tests the functionality of the instrument by measuring Russian SO NGO’s level of transparency for the first time. The new instrument allows comparing actual government standards for transparency and a novel web-based measures of transparency.

The study is conducted in Russia to measure transparency of a sample of Russian NGOs. Until today, few studies were published on Russian NGOs in international journals, and experts of the nongovernmental sector worldwide are poorly informed about the Russian NGO sector. The knowledge is scattered and the understanding of Russian NGOs’ reality is incomplete. This study discloses the mysteries of the Russian NGO sector development and tells about its interaction with the public and government. As this research shows, modern Russian NGOs face similar pressures as most NGOs abroad. The study presents new instrument for measuring transparency, which is flexible and applicable to all types of NGOs worldwide.

The instrument was initially developed by Russian experts to measure government transparency, and later was modified to apply to the NGO sector in Russia (Pavlov et al., 2011). The web-content-analysis (WCA) instrument measures the availability of predetermined transparency parameters on the NGO websites, and uses predetermined criteria to evaluate the characteristics of parameters, which help estimating the final coefficient of information accessibility (CIA). The CIA allows comparing and ranking the NGOs on the level of transparency and establish the on-line transparency standards.

The instrument is empirically tested for the first times to estimate the CIA of SO NGOs, the receivers of Russian government subsidies. The article consists of four major parts. First part

⁴ The term “web-content analysis” is suggested by the group of experts who developed this instrument Pavlov I.Y., Golubeva E.G., Golubev, V.O., Pestova A.O. and Tolsteneva, T.A (2011).

discusses the literature on the NGOs transparency measures that helps develop the hypotheses. The second part describes the methods of CIA estimation and provides for detailed description of the WCA (web-content analysis) instrument. The third part demonstrates the results of the CIA estimation and compares the sampled NGOs on transparency dimensions. The fourth part discusses the results and make recommendations for the future use of the WCA instrument.

Literature review

Nongovernmental sector organizations normally receive support from three major groups of stakeholders: the general public, individual and corporate philanthropists, and government. The groups are not homogeneous; each group expects different levels of accountability with various dimensions. Ebrahim (2003) points out, the NGOs operate along multiple dimensions of accountability, responsibility and responsiveness, involving numerous actors, using various mechanisms and standards of performance, and requiring differing levels of organizational response. These requirements are becoming prohibitive for mid-size and smaller NGOs, whose resources are limited. NGOs together with experts develop ways to communicate their achievements to multiple stakeholders, which include “upward” and “external” communication to donors, and “inward” and “internal” communication to the staff, volunteers, and beneficiaries (Ebrahim, 2003; Jordan, 2005).

Currently in Russia, the nongovernmental sector does not have strict standards of transparency, like form-990 in the USA, and has no elaborate accountability procedures. Researchers in Russia determined that nongovernmental organizations often do not publish operating and financial reports (Mersianova and Jakobson 2010). Greshnova (2010) studied the association between trust to NGOs and willingness to donate and volunteer in Russia and found that lower trust leads to the unwillingness to give and volunteer. To build positive and trustworthy image, the NGOs in Russia need to develop a universal and affordable mechanism to become transparent and open to public scrutiny.

Recently, Russian government started providing subsidies to SO NGO to improve local outreach to vulnerable populations. The communitarian theory holds that local NGOs are better situated to recognize specific local needs and provide adequate services. The Federal law #713 from 2011 on the state support for the SO NGOs determine the competition procedures and defines the rules for government grants allocation.⁵ This law determines the minimal standards for reporting on the state funds use and the effects of the services. Thus, the law establishes the formal mechanism to ensure the NGO accountability in Russia.

⁵ Russian Federal Law from August 23, 2011, #713 “On State Support of Socially Oriented Nongovernmental organizations”. <http://ivo.garant.ru/#/document/12189161:0>

This literature review distinguishes two key theoretical approaches for measuring openness and transparency. First approach measures the effectiveness and efficiency of the NGO operations and activities (Ebrahim, 2003; Jordan, 2005). This approach uses elaborated econometric modeling and requires special knowledge. Second approach views the openness and transparency instrumentally as an opportunity for the NGO stakeholders to find relevant information independently and evaluate it according to particular purpose. Both approaches are important to ensure accountability and understand the effects of the NGO operations. Yet, two approaches have different goals and use different methodologies. The WCA method, within the framework of the second approach, offers an instrument to measure the accessibility of information produced by any NGO. Accordingly, this literature review discusses instrumental approaches used and interpreted by various authors.

Modern technological development offers new opportunities for public fund recipients to increase transparency. In the era of the Internet, NGOs acquire most effective instruments to promote transparency. Today, most of formal NGOs have websites, where they can place information about activities and results, and financial reports about program spending. In research journals the topic of transparency and accountability of nongovernmental organization is well represented, yet there is still scarce research on the role of the Internet in expanding transparency (Dumont, 2015). Many NGOs world-wide use ample opportunities to tell about their work and impact on clients to their local and international stakeholders. Yet, little is published in international journals about openness and transparency of the NGO sector in Russia. This study intends to fill the void.

This study uses the terms “openness” and “transparency” as synonymous and distinguishes these terms from the term “accountability.” Accountability is regarded as a narrower and more specific concept that is being constantly modified and occasionally revised. New and modified accountability theories lead researchers in different but complementary directions (Kearns 1994, 1996; Rubin, 1990).

This research studies transparency in nongovernmental organizations. Transparency is defined by several authors as access to selected documentation and information, availability of important data on the organization activities, the opportunity to interact with the organization by stakeholders on the visitors driven issues and availability and accessibility of annual reports and financial reports (Finale and Lord, 1999; Kauffman, 2001).

Finale and Lord (1999) argue that transparency of NGOs serves to educate the public, state and business organizations about the NGO operation and signals about the trustworthiness of a social actor working for public benefit. Other authors define transparency and openness as the free stream of accessible, relevant and timely information delivered through the mass media

or internet channels (Vishwanath and Kaufmann, 1999). This paper uses similar definitions of transparency. In this paper the author will be checking the availability of specific information on the SO NGO websites and evaluate the ease of access and the content of this information.

The role of Internet and the Web2.0 interactive technology

Researchers of corporate social responsibility programs (CSR) discussed the advantages of the Web 2.0 technology as accessible and inexpensive tool of communication to provide the public with better access to the renewed and thematically segmented information (...). These characteristics of the Web 2.0 Vaccaro and Medsen (2009) called “dynamic transparency.” The study by Belyantseva and Limar (2012) appreciated the advantages of the Internet-based transparency in Russia. They argue that SO NGOs should provide access to internal information to the wide circles of stakeholders over the Internet simply because it permits for wider access. Ball (Ball, 2009) defines transparency as the attribute of state and nongovernmental organizations by contrast to profit-making organizations. The degree of transparency is related to how much meaningful and easily accessible information is provided on the Internet. Орлова A. (2010) Orlova (2010) argues that open competition of the annual reports serves to increase transparency and promote the mission of SO NGOs in Russia.

Instrumental evaluation of SO NGO transparency

For this study, the NGO transparency is framed as available and easily accessible information on the web-site of a given NGO. Many countries require NGOs to be transparent. The USA has the largest NGO sector, and also has multiple expert NGOs that busy themselves helping to improve the third sector transparency. American NGOs are familiar with such organizations as Guide Star, Charity Navigation, Intelligent Philanthropy, Impact Coalition and the program “Legitimacy, Transparency, and Accountability,” which assess transparency and accountability of NGOs and rank them. Ranking is based on the analysis of open-source NGOs’ tax returns - the Form -990, on the information from the NGO websites and other sources of open data. Most ranking agencies developed the lists of required information to deposit on the NGO websites. It includes NGO mission and goals, staff and leadership structure and rules, ethics codes, confidentiality policy, effectiveness indicators, and clients’ testimony. To attract donors, many NGOs invite auditors and accrediting organizations such as GiveWell.org and Give.org (BBB Wise Giving Alliance) in the USA, SGS in Switzerland, and PWC in Germany. The standards of best practices and auditing benchmarks provided by Give.org⁶, GiveWell.org⁷, SGS⁸ and Initiative Transparente Zivilgesellschaft⁹ and show that expert-based organizations

⁶ <http://give.org/for-charities/How-We-Accredit-Charities/>

⁷ <http://www.givewell.org/labs>

⁸ <http://www.sgs.com/en/Public-Sector/Monitoring-Services/NGO-Benchmarking.aspx>

⁹ <http://www.transparency.de/Nonprofit-Sektor.1612.0.html>

have elaborated the complicated measures of accountability and transparency (some use more than 100 measures) that might be burdensome for most smaller and medium-size organizations.

Several international projects developed scientific approaches for assessing the aggregate measures of the NGO sector effectiveness. The most elaborate evaluation methods were designed by the Center for Civil Society Studies¹⁰ and the CIVICUS¹¹ project (Anheier, 2000). Both involved experts from several countries. CIVICUS invited Russian experts to evaluate the NGO sector in Russia for the first time, which produced two publications on the evaluation of the NGO sector in Russia (Belyaeva et al, 2010; Jacobson et al., 2011). The CIVICUS project was not designed to assess the effectiveness or mission accomplishment by individual NGOs in Russia. Yet, the value of the project was the development of new methodology to evaluate and compare the third sector internationally.

Literature discusses the importance of NGO transparency in countries where the NGO sector has been operating for centuries to maintain high level of trust in these organizations. In Russia, the NGO sector is comparatively new, and still has a challenge to win the trust and support of common people. The Research Center for the Study of Civil Society and NGO Sector in Russia researches the NGO sector effectiveness and the attitudes to the sector by Russian people. The publications by this Center show that the level of transparency of the sector is still limited (Mersianova and Jakobson, 2007).

The problem of transparency among governmental and nonprofit agencies keeps researchers busy. Nisnevich (2012) studied the level of transparency in government. Muravieva (2010), Gordeeva et al. (2010) studied theoretical approaches to transparency and practical issues in Russian NGOs, but none have offered a transparency measuring tools. In 2015, the experts of Transparency International in Russia evaluated transparency of 102 human rights organizations with the proposed criteria. The results of evaluation showed low level of informational openness among these NGOs. Transparency experts made a conclusion that “the lack of transparency inevitably and negatively affects common trust to these organizations and the nongovernmental sector in general” (Transparency international, Russia, 2015, p.81).¹²

Russian experts, Pavlov et al. (2011) from the Foundation for the Freedom of Information (FFI) developed new analytical instrument to monitor the official sites of government agencies to assess their openness and transparency. They called the measuring tool the “Web-Content Analysis” or simply the WCA. The experts suggested using certain qualitative parameters and quantitative criteria for the assessment of transparency. Later Pavlov et al. (2011)

¹⁰ <http://ccss.jhu.edu/>

¹¹ <http://www.civicus.org/csi/>

¹² http://transparency.org.ru/images/docs/research/Transparency_NGO2015.pdf

modified the tool to suit the measurement of the NGO sector transparency. They identified parameters and criteria of transparency for particular information: 1. the information of certain type must be available online, and 2. open information should have certain characteristics: be socially significant, relevant, timely, be readable and potable, and easily accessible. The new method of assessment was designed to produce clear and standardized indicators of transparency. The modified Pavlov's model of WCA is used in this study to assess the transparency of the SO NGOs - receivers of Russian government subsidy in 2013. The model is based on a uniform mathematical formula that can be modified as needed, with regard to the type of NGOs in Russia and other countries.

In Russia, government and philanthropic organizations expect higher level of NGO transparency because the new Law # 121-FZ from 2012 requires responsible treatment of the allocated grants. Since 2011, the amounts of government subsidies started increasing from year to year, which posed a challenge to establish external independent and standardized control system. This study tests the new system of measurement to offer it to the government, various grant-making organizations and the public.

While testing the model and doing the WCO for the sample of SO NGOs in Russia, we also test the hypothesis, which has been formulated with regard to the legal requirement of the law for grant receivers SO NGOs to provide specific internal information including operational and financial reports. The transparency of the SO NGOs is instrumental to further increasing the level of accountability. We assume that since 2011, after the Law # 121-FZ has been enacted, the subsidy receivers SO NGOs have improved transparency and openness by placing relevant information of their websites and having achieved the higher level of the coefficient of information accessibility(CIA). The hypothesis is articulated below:

Hypothesis: To meet new legal requirements, the majority of the SO NGOs - government subsidy receivers, have increased the level of informational openness and transparency above 50 percent of the CIA.

Research methods

This research tests a new instrument for measuring NGOs transparency by means of estimating the coefficient of information accessibility (CIA) based on the information provided on the organizational web sites. This method is called the "web-content analysis" (WCA). The method was designed and tested by Russian experts to evaluate the openness of government agencies in Russia in 2011 (Pavlov et al. 2011). Later the experts have further elaborated the WCA method to facilitate the measurement of openness and transparency in NGOs. They designed the model that is flexible and can be modified to suit the variety of NGO types. Pavlov et al. (2001) invited other experts to use this methodology creatively to modify the model by

adding or removing some parameters and criterion that might be new or outdated and to align the measurements with new legal requirements. Our study demonstrates the practical application of this method on a sample of NGOs in Russia, and tests the hypothesis of current NGO transparency level. To test the level of openness of the NGOs, We apply the WCA methodology with modest modifications, which we will explain later. We amended the model by excluding the outdated and irrelevant criteria for one parameter to suit the selected sample and to account for fast information technology progress.

The empirical data is collected from the web sites of 42 SO NGOs - government subsidy receivers in 2013. The list of the subsidy winners is published on the site of the Ministry of Economy of Russia (MoER) together with their contact information, addresses and other logistical information. For the year of 2013, the population of subsidy receivers was 42 organizations, which means that the population and the sample fully overlap. The characteristics of the sample are particular: all of them are SO NGO that provide services to vulnerable populations and implement the projects of national importance and regulated by the Law # 121-FZ, which also defines the accountability requirements for the subsidy receivers.

To test the hypothesis we defined the term “majority” as a number larger than 50 percent ($N > 21$) of the sample. Following the logic of the model authors (Pavlov et al. 2011), we defined the term transparency as the availability of quantifiable parameters of information with specific characteristics on the websites of SO NGOs. Then, we entered this quantitative information for each SO NGO into a mathematical formula to calculate the coefficient of information accessibility (CIA). The CIA measure is from 0 to 100 percent; whereas the CIA is estimated as being complete, when it equals 100 percent, and the CIA is estimated as absent, when it equals 0 percent. We applied the WCA method to evaluate the availability of specific parameters of information by the following criteria: social significance, completeness, relevance, ease of navigation, and the format usability of a parameter, as the method developers recommended (Pavlov et al, 2011)¹³. The process works as follows: first, we define the parameters of openness – specific information that must be on the website; then, for each parameter we estimate the coefficient of social significance and the relevance of the parameter. The parameters describe the information completeness of the SO NGO site and its technological accessibility via Internet. “Parameters for monitoring the NGO site are the descriptors of an organization’s site, which are subject to the evaluation in the monitoring process” (Pavlov et al. 2011, p. 18). We have identified nine parameters of transparency by examining Pavlov’s et al. (2011) list of transparency parameters, and the legal requirements of the Law. Following the

¹³ Pavlov I.Yu., Golubeva E.G., Golubev V.O. Methods for Monitoring Official Websites. SPb, 2011. <http://old.svobodainfo.org/ru/node/939>

perceived needs of information on behalf of regular stakeholders and according to the LAW # 7-FZ, the expected and required parameters of transparency are listed below¹⁴:

- 1) *The mission of a SO NGO*
- 2) *The leaders and the staff of a SO NGO* (Names, positions, contacts)
- 3) *SO NGO annual reports* (open operations reports);
- 4) *Financial statements of a SO NGO*;
- 5) *SO NGO statute*;
- 6) *SO NGO stakeholders forum* (direct information exchange, commentaries, etc.);
- 7) *Contact information* (Address, phone numbers, emails)
- 8) *SO NGO site map*;
- 9) *SO NGO news*.

Table 1 provides names (abbreviations), definitions and measurements for each parameter and for each criteria that constitute the CIA measure.

Table 1. The list of measurement coefficients

Name	Description	Measurement
The coefficient of social significance of a parameter (CSS)	Degree of social significance of a parameter for a SO NGO	«1» - low social significance «2» - average social significance «3» - high social significance
The coefficient of relevancy of a parameter (CRP)	Degree of relevancy of a parameter (in relation to a specific SO NGO)	«0» - Parameter is not relevant for a given SO NGO and will not be evaluated «1» - Parameter is relevant for a given SO NGO and will be evaluated
The coefficient of relevancy of a criteria (CRC)	Criteria either relevant or not relevant for a specific parameter	«0» - Criteria is not relevant for a parameter and will not be evaluated «1» - Criteria is relevant for a parameter and will be evaluated
The coefficient of the parameter availability (C1)	Parameter description (e.g. service, information)	«0» - Parameter characteristics are absent on the SO NGO site «1» - Parameter characteristics are present on the SO NGO site
The coefficient of the parameter completeness (information) completeness	Degree of the parameter completeness	«0,2» - (5-30%) Low parameter completeness (bits of information provided) «0,5» - (30-80%) Medium parameter completeness (Information is provided, but

¹⁴ Fedel Law from 12 January 1996 г. N 7-FZ

(C2)		incomplete) «1» - (80-100%) High parameter completeness (all information is provided fully)
The coefficient of timeliness of information (C3)	Degree of timeliness (updates) of information	«0,7» - (outdated >30 days) low degree of timeliness of information; «0,85» - (outdated < 30 days) medium degree of timeliness of information; «1» - (7 days) high level of timeliness of information;
The coefficient of navigation capacity (C4)	Degree of the navigation capacity	«1» - High level of navigation capacity (no more than 3 clicks); «0,95» - Medium level of navigation capacity (between 3 to 6 clicks); «0,9» - Low level of navigation capacity (more than 6 clicks);
The coefficient of HTML access (C5)	Information is accessible in the HTML format	«1» - Information is on a site in the HTML format «0,2» - No information is on a site in the HTML format
The coefficient of File access (C6)	Documents is accessible for downloading on the site in the "File" format.	«1» - information available for downloading on a site in the file «0,85» - information is not available for downloading on a site in a file format

Source: NGO Websites Monitoring Methodology, St. Petersburg, Pavlov et al. (2011)

www.svobodainfo.org

Table 1 shows how the authors of the methodology classified the website information by its significance to an external observer. The authors identified a parameter and assigned it a degree of social significance because social significance may differ. The CSS has three measures: 1. low significance, 2. medium significance, and 3. high significance. For example, the address of an organization has higher significance than the travelling instructions. The coefficient of the parameter relevance and the coefficient of the criteria relevance (CRP and CRC) describe the role of a parameter or a criterion in the website evaluation, and therefore have binary measures - 1 is for "important," and 0 is for "not important."

The parameters could be evaluated by the following criteria:

- 1) Availability;
- 2) Completeness;
- 3) Timeliness;

- 4) Navigation capacity;
- 5) HTML format;
- 6) File format;
- 7) Graphic image;

This list shows that for each individual parameter there are seven criteria for evaluation including graphic image (the opportunity to see precise graphic image of a document) and navigation capacity (search convenience). Pavlov et al. (2011) have made the model adjustable to account for different goals of the evaluation, where some criteria may become more important, while others may lose their usefulness. The model developers wanted to make the model flexible to apply for different types of NGOs and different goals of evaluation.

The sample for this study consists of special type of NGOs: the SO NGO that won the government competition for subsidies in 2013. These organizations have similar goals and specific characteristics that make them different from business associations, amateur clubs, analytical centers, etc. Because of public funding SO NGOs have reporting responsibility. This study determines the criteria for transparency evaluation concerning this particular type of organizations and the interests of government, donors, clients, public and other potential stakeholders.

In the process of the WCA, some criteria turned out to be excessive, and the CRC for some criteria turned out to be the same for all SO NGOs in the sample and equal to 1. For example, all organizations in the sample had the tools for viewing files either as the File format or as the HTML format. This means that stakeholders had the opportunity to see the exact image of the document by using different formats. Therefore, the criteria “Graphic image,” which may be presented in either formats, loses its relevance because all organizations in the sample received “1” for the measure CRC, which places all organizations at the same starting line. Therefore, we combined two criteria “Graphic image” and “File format” into one under the title “File format.” Similarly, the criteria “Navigation capacity” loses its relevance because every site in the sample had technical possibility to search for needed parameters – a “search bar.” The search bar helps finding the information quickly, therefore it renders the criteria “Navigation capacity” unnecessary and reduces clicks to one. The above two criteria did not allow to differentiate the sites on a specific parameter. Therefore, these two criteria, with the value of “1” were excluded from the analysis because if WE enter these criteria in the formula, the calculation results do not change.

The discussion below deals with other relevant criteria with the CRC equal to “1.”

1) “Availability” is the criteria that describes the availability of the parameter of interest on the organization’s website. To analyze this criteria we need to open the website and to check

for the availability of a parameter (C1), which has binary value of “1” - “available of the site” and “0” - “not available of the site. For example, an annual report is either on the site or not on the site.

2) “Completeness” is the criteria that evaluates the degree of completeness of available parameter. This criterion, C2, has three degrees of completeness. For example, if an organization displays one out of five annual reports, it gets $C2=0.2$, if it displays from 2 to 4 annual reports, it gets $C2 = 0.5$, and if it displays five reports, it gets $C2 = 1$, which accounts for a “complete” parameter.

Other examples: (1) “Financial statements” is also a parameter that is similarly evaluated with the criteria of “completeness” – C2, where C2 takes the measures of 0.2, 0.5, and 1. (2) “Contact” parameter is complete – C2 (90-100%) if the site displays an organization’s address, telephone numbers, google maps directions, and contacts of relevant departments. However, the parameters below cannot be evaluated with the criterion C2.

3) “Timeliness” is the criteria that evaluates the actual newness of a parameter at the time of evaluation. This criterion (C3) describes how long ago the parameter appeared on the site and has three measures: $C3 = 1$, when the parameter has been displayed one week before 30 days of a count day; $C3 = 0.85$, when parameter has been displayed 30 days from the evaluation day; and $C3=0.7$ when the parameter has been displayed on the website for a week and longer than 30 days from the moment of download. For example, when we look at the timeliness of annual reports we pay attention to the date of the report download. This criterion evaluates best the news and the description of an event.

When we evaluate the timeliness of financial statements or annual reports, we pay attention to the year by year display. The coefficient $C3 = 1$ when in 2015 we can see reports in a time sequence from 2010 through 2015. The coefficient $C3=0.85$ when in the year of 2015 we see reports for 2010-through 2014. The coefficient $C3 = 0.7$, when in the year 2015 we see reports from 2010 through 2013.

4) The “HTML-access” is the criterion (C4) that helps evaluating the opportunity to obtain the documents on-line. This criterion (C4) is evaluated by assigning one of the two measurements. The evaluator assigns $C4=1$ when the site displays the documents in the HTML format. Otherwise, the evaluator assigns $C4=0.2$, which means the document is not accessible in HTML format.

5) The “File-access” is the criterion (C5) that evaluates the opportunity to obtain the documents by downloading them from the SO NGO website to a computer or other information carrier like flash-drive. This criterion is evaluated by assigning a binary measure to the website with or without the downloadable file. When the SO NGO website contains the downloadable

file, it receives the C5=1. When the SO NGO website does not contain the downloadable file it receives the C5=0.85.

Pavlov et al. (2011) argue that the criteria coefficient measurements may differ in regards to the importance of each individual criteria for the assessment of individual parameter and the site. Below, Table 2 presents the measurements for each selected parameter and the criteria besides the ones eliminated as irrelevant for the whole sample.

Таблица 2. The Measurements of the Coefficients

Transparency parameters	CSS	C1	C2	C3	C4	C5	CRP
The Mission	3	1	1	1	1	0	1
Leadership and staff	3	1	1	1	1	0	1
Annual reports	3	1	1	1	1	1	1
Financial statements	3	1	1	1	1	1	1
Statute	2	1	0	0	1	1	1
Stakeholders involvement	2	1	0	0	1	0	1
Contact information	3	1	1	1	1	0	1
Site map	1	1	0	0	1	0	1
News line	1	1	0	1	1	0	1

Table 2 shows that for the analysis of this sample we consider seven out of nine criteria following the discussion of the irrelevance of two criteria.

Discussion of research results

After the analysis and measurement of each parameter and criteria is accomplished, the coefficient of informational accessibility (CIA) is estimated for each SO NGO by the following formula (Pavlov et al. 2011):

$$CIA = \frac{\sum_{i=1}^n \left(\prod_{j=1}^5 (C_{ij} * CRC_{ij} + 1 - CRC_{ij}) * CRP_i * CSS_i \right)}{\sum_{i=1}^n (CRP_i * CSS_i)} * 100,$$

where:

n – Parameter number (from 1 to 9);

j – Criteria number (from 1 to 5);

C_{ij} – Criteria coefficient under the number j for the parameter under the number i;

CRC_{ij} – Coefficient of criteria relevancy under the number j for the parameter under the number i;

CRP_i – Coefficient of parameter relevance under the number i;

CSS_i – Coefficient of social significance of a parameter under the number i.

The resulting CIA vary from 0 to 100 percent, where CIA=0 percent means that a SO NGO has no website; and CIA=100 percent means that the activity of a SO NGO is maximally transparent.

The methodology described above and the mathematical formula were used to evaluate the parameters of transparency of the 42 SO NGOs from the MoER – the winners of the government subsidies in 2013¹⁵. We analyzed the websites of 42 winning organizations to measure the parameters and the criteria of transparency with the help of Microsoft Office Excel program. The goal of the analysis was to determine the degree of openness and to calculate the CIA for each SO NGO to test whether the majority of organization has achieved the CIA above 50 percent. Each SO NGO received the numerical CIA (in percent) depending on the quantitative parameters and criteria. Below, we show the calculation of the average CIA for all 42 SO NGOs: all 42 CIAs are summed up and divided by the number of organizations.

$$\text{CIA}_{\text{average}} = (77,4 + 57,4 + 76,2 + 0 + 0 + 44,5 + 44,5 + 52,4 + 50 + 26,2 + 50,7 + 55,5 + 62,1 + 35,6 + 76,4 + 51,2 + 24,8 + 71,9 + 64,5 + 33,8 + 35,7 + 83,3 + 78,6 + 76,2 + 54,8 + 55,2 + 61,9 + 12,4 + 19 + 51,1 + 13,3 + 36,7 + 54,8 + 50 + 28,6 + 33,8 + 68,4 + 40,5 + 14,8 + 54,8 + 64,3 + 36,7) / 42 = 47,19286 \approx 47,19 (\%).$$

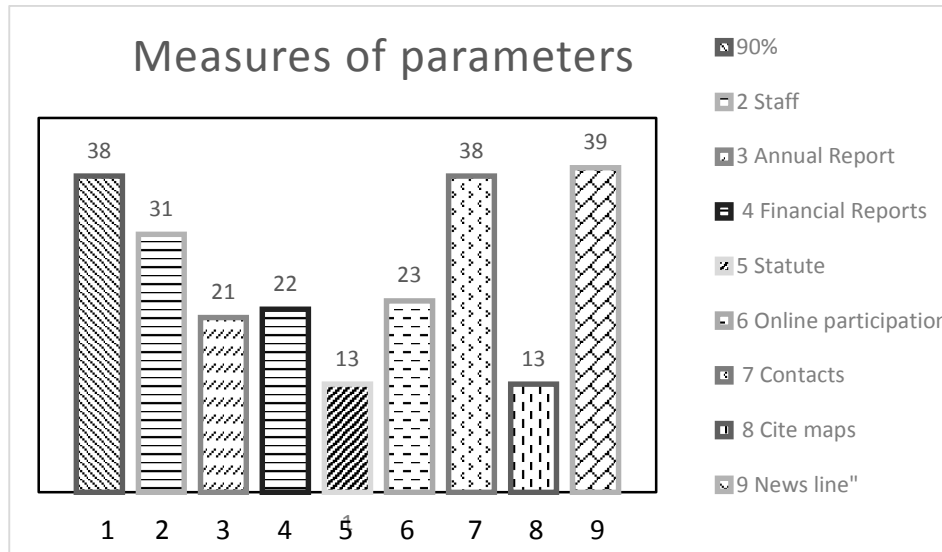
The sample average is 47.19 percent, which is below 50 percent. However, the fact that two SO NGOs have received the CIA measure of “0” because they had not had the websites, had biased the average result to a lower end.

The CIA calculation showed that the sample average was 47.19 percent, which is below 50 percent, which, in turn, may indicate that the hypothesis was not supported by the data analysis. However, given the existing downshifting bias in the sample, we continue doing the analysis of the CIA and the transparency distribution between individual organizations bearing the effects of two zeroes in mind.

In the process of analyzing the transparency of the sampled SO NGOs, we determined that most organizations display information such as annual reports, financial statements, information on the leadership, current events and news, etc. - other important information on the websites. Every website visitor has the opportunity to see and analyze the documents online and even download it for further examination. Yet, we also found the irregularity of transparency distribution. Descriptive statistics is provided on a diagram 1 below.

¹⁵ http://www.economy.gov.ru/minec/activity/sections/socorientnoncomorg/doc20131007_21

Diagram 1. *The distribution of transparency parameters of SO NGOs.*



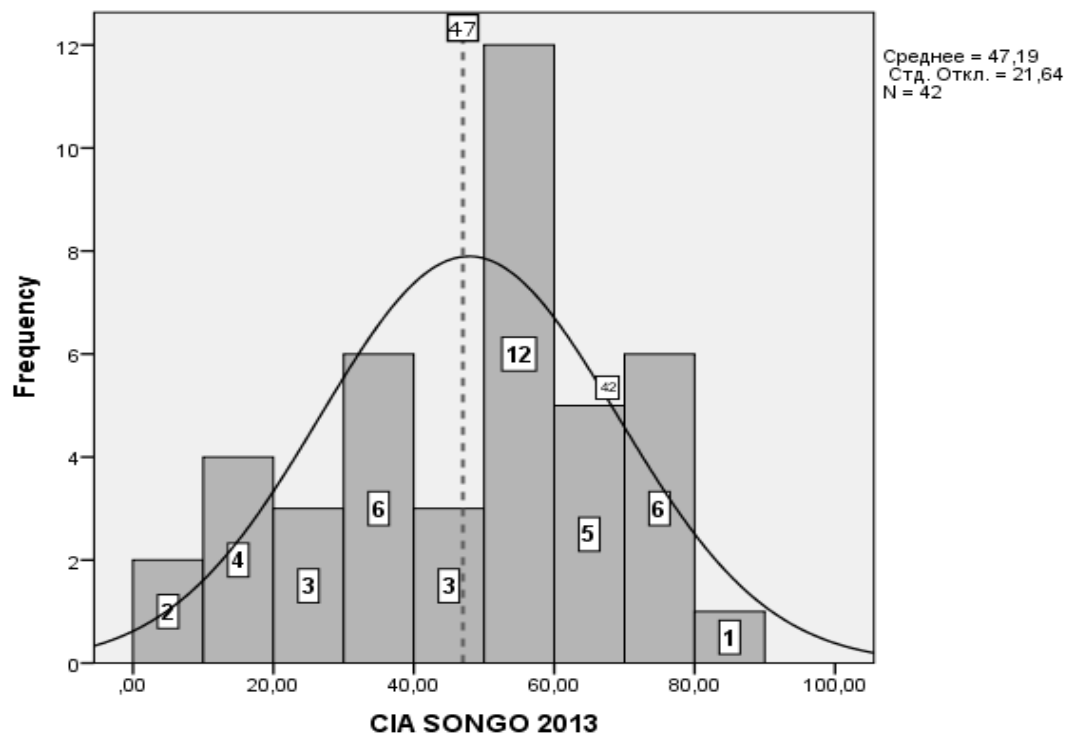
The histogram above demonstrates that about 75 percent of sampled SO NGOs provide information about the SO NGO activities, staff and leaders, contact information and news. About 50 percent of organizations display annual reports, financial statements, and interactive features; and about 30 percent of SO NGOs display statues and site maps. The detailed description is presented below:

1. 38 out of 42 (90 percent) of organizations publish the information of their statutory activities on the official website;
2. 31 out of 42 (73 percent) of organizations publish the information on the staff and
 - a. leadership;
3. 21 out of 42 (50 percent) of organizations publish annual reports;
4. 22 out of 42 (52,4 percent) of organizations publish financial statements;
5. 13 out of 42 (30,9 percent) of organizations publish the organization statute;
6. 23 out of 42 (54,7 percent) of organizations have the opportunities for interactive dialogical exchange with stakeholders;
7. 38 out of 42 (90 percent) of organizations publish contact information;
8. 13 out of 42 (30,9 percent) of organizations publish site maps;
9. 39 out of 42 (92.8 percent) of organizations publish the news line on the organization websites.

The visual impression is promising. More than 50 percent of the SO NGOs in the sample have the required information of their active websites. However, the average CIA for the

whole sample is 47.19 percent, which is lower than could be inferred from the Histogram 1. To test the hypothesis, which anticipates finding the majority of organizations having advanced transparency coefficient, we perform a frequency analysis of the CIA distribution in the sample. Picture 2 below visually presents the frequency distribution of the sampled SO NGOs by the CIA.

Picture 2. CIA frequency distribution in the sample of SO NGOs



The above picture or a histogram helps us visualize how the CIA is distributed among 42 SO NGOs. One can observe that the number of SO NGOs with the CIA to the left of the average 47.2 percent – the dotted line – equals 18 organizations. Accordingly, one can also observe the other part of the histogram with the CIA to the right of the dotted line above 47.2 percent - 24 SO NGOs. The larger right part of the histogram consists of 12 organizations from 50 -60 percent CIA plus 12 organizations from 60 to 90 percent CIA. Frequency analysis demonstrates that the majority of the SO NGOs in the sample. The above results provide the visual support to the hypothesis. We verify this result by performing statistical Independent Samples T-test between-group analysis to test the difference between two groups (below and above 47 percent). To conduct the analysis, we assign the organizations to two groups – low CIA and high CIA separated by the average of CIA=47.2 as the dividing line.

The results of the T-test analysis allow rejecting the assumption of no difference in variance between two groups with the following statistics: $t = 9.045$, $df = 31.2$, and $p = 0.000$.

Therefore, we conclude that two groups of SO NGOs are significantly different in terms of the CIA and that this difference is the result of the level of transparency, measured by the WCA instrument.

Conclusions and Discussion

The results of this study allow assessing current level of transparency among the SO NGOs - government subsidy receivers - in Russia. The study has supported the expectations of the increasing level of transparency in Russian NGOs. Generally, the study provides the following results:

The majority of the subsidy receivers SO NGOs in Russia have higher than the average level of transparency, measured by CIA instrument (Pavlov, 2011). The findings indicate a turning point in the process of transparency expansion among Russian NGOs.

The study has tested and confirmed the utility of information technologies and the Web 2.0 technology, in particular, in expanding the outreach of the NGOs to their primary and secondary stakeholders. Thus, the Web 2.0 is proved to be instrumental in making various sectors, including government and NGO sector, more open to all stakeholders, including grant-givers and service receivers, the clients. Increased level of transparency makes NGOs more trustworthy and opens new opportunities to grow and to increase the scope of services.

New transparency measure technology - the WCA, developed by Russian experts and tested in Russia, has been empirically proven as effective and efficient instrument to measure transparency of SO NGOs in Russia. The WCA method design is flexible and allows for modification and, therefore, could be used in various types of NGOs in different countries.

The majority of the SO NGO – subsidy receivers have above 50 percent CIA, which testifies the progress in transparency development among Russian SO NGOs. Web 2.0 technology positively influences the ability of the NGOs to increase transparency. The WCA instrument, with minor modifications, can be positively and effectively used to evaluate the transparency of NGOs in Russia and in other countries

Governments, corporate and individual donors now have received an effective instrument to access important information online, save time, and evaluate the targeted NGOs before and after the grant is disbursed to a selected NGO. The availability of a quality web-site with valuable information is an asset for every NGO, which stimulates to improve performance and to attract new fans.

The quantitative measures of the transparency allow for highly standardized and comparative analysis. This will facilitate the uniform use of the instrument and the reading of the results by all stakeholders involved. The CIA finally helps to overcome a serious drawback of current evaluation imprecision, when grant-operators often use their intuition rather than measurable

indicators. The use of the WCA will minimize questionable decisions of subsidy managers at all levels of decision-making.

To conclude, we note that the activity of the SO NGOs is complementary to the government social service programs. Therefore, the transparency of the social service information adds credentials to a SO NGO and to government. Positive results of the SO NGO work should be publicized by all possible means to attract public attention to create positive in Russia. It is especially important today, when younger generation has not developed clear ideals and value system. Transparency of the NGO sector is the way to build trust in the sector and its ideals, to clear the road to building the value of compassion, participation, and sharing. The WCA helps promoting transparency, which, in turns, help building trust examples into the NGO sector and attracts people to a higher cause.

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