

The status of the Russian non-profit sector and government – non-profit relations: a brief overview¹

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ABSTRACT

Despite Russia's widespread reputation as a uniformly hostile environment for non-profit organisations, this article documents the government's ambivalent approach towards the sector and discusses the variety of the non-profit organisations' social background. The Russian government follows two opposing strategies: while suppressing independent and potentially critical NPOs in general, at the same time it collaborates with those that operate in line with the government priorities. The government policies have had a negative impact on the development of the non-profit sector by creating divisions between different types of NPOs. The article presents some facts and figures concerning the non-profit sector and discusses its external institutional context, including the sector size and the scope of financial support for non-profit organisations

The non-profit sector is an important factor in the development of civil society and the engagement of citizens. Its social and institutional background as well as the governmental framework for its development in the post-Soviet context, however, differs significantly from the Western world standards. As a result of the combination of various factors, this sector is often seen as limited in size and pro-governmental. The latest data confirms that the picture is more complex as it combines positive and negative trends in the non-profit sector development in Russia. The sector comprises governmental initiatives, both supporting and suppressing non-profit activity, small-size formal non-profit organisations and broad informal civic engagement and volunteering. This paper has been prepared on the basis of the report *Civil Society in Russia* developed for the Polish American Freedom Foundation.

The status and scope of the Russian non-profit sector

Based on the available statistical data and information obtained from all-Russia organisation surveys, this article presents the situation of non-profit non-governmental organisations (NGOs) in Russia. In short, the non-profit sector is big in absolute numbers, but relatively small per capita. There is great regional NGO diversity in terms of their size and status. The sector primarily focuses on the social sphere and the provision of social services.

¹ This article was prepared on the basis of the report developed by the author for the Polish-American Freedom Foundation in June 2019.

The Russian non-profit sector was created from scratch in the early 1990s. Along with the economic recovery and the emergence of the middle class in the early 2000s, the non-profit sector gained its shape and became institutionalised turning into an actor in the social sphere. New organisations which aimed to fill in specific service gaps exposed by increasingly constrained public budgets and policy priorities operated in new spheres of advocacy as well as service delivery (Jacobson, Sanovich 2010; Ljubownikow, Crotty, Rodgers 2013; Mersianova *et al.*, 2017). Today, the sector is made of NGOs that represent 18 different legal forms and includes foundations, associations, autonomous non-profit organisations, consumer cooperatives, religious organisations, trade unions and many more (Federal Law, 12 January, 1996).

The official statistics on the non-profit sector is available for the so-called socially-oriented NGOs (SO NGOs, Law on “socially oriented non-profit organisations”, 2010). They make the biggest proportion of the sector and include the majority of non-profit organisations working in 18 specific areas, including healthcare, education, culture, sports, social services, etc. The list of eligible areas is constantly growing. Those that fall under these criteria have additional opportunities to obtain funding and in-kind support from federal and regional governments on a competitive basis. A smaller number of NGOs deal with human rights and environmental issues.

Despite the veneer of non-profit activity provided by the mass organisations of the Soviet era which continue to exist and recent reports about the closing down of the space for civil society as a result of the so-called “foreign agent” law, there is a considerable degree of regional diversity in terms of the size and composition of the Russian non-profit sector. The aggregate number of NGOs per region in 81 out of 83 Russian regions ranges from 78 to 6,408. The disparity in aggregate NGO revenues ranges from 73 million RUB (1.2 million USD, hereinafter 1 USD = 60 RUB) to 171.2 billion RUB (2.8 billion USD) (RFSSS 2016). Similar disparities can be observed as regards the share of NGO full-time workforce in the total number of the economically active population. It varies from 0.27% in the Mari Republic to 2.17% in the Tyumen Region (Salamon *et al.* 2020).

The approach of the government towards non-profit organisations is considerably different in different regions – it would be a great simplification and overestimation to claim that there is any uniformity in government – non-profit relations (Remington 2015; Krasnopolskaya *et al.* 2015). Some regional authorities create extremely favourable and supportive conditions for the non-profit sector development (Ural and Siberia regions), while others are likely to have weak collaboration and infrastructure for the sector development (Central Russian and South regions).

Moreover, the Russian non-profit sector is characterised by several particularities that have a significant impact on its composition and way of operation. Here are some facts and figures:

- The sector is relatively small in size. There are about 217,000 NGOs (Ministry of Justice, July 2019). This number has remained nearly the same since 2009.
- It focuses on social services. About 60% of NGOs are active in education, social services, welfare, and health complementing the services provided by the government.
- The sector accounts for 0.9% of the economically active population (Salamon, Sokolowski 2004). Large in absolute numbers, it employs 800,000 full-time workers.
- There is 1.5 NGO per 1000 citizens (RFSSS 2018).
- Public awareness is relatively limited. Russians are aware of NGOs (86% have heard about at least one NGO type in 2017) and declare they trust NGOs (65% trust at least one NGO type) (Bekkers *et al.* 2016; Mersiyanova, Korneeva 2017).
- The level of civic participation is low. A little more than a third of Russians volunteered in the last year (35%, HSE, n=2012, 2018). However, only 31% of them (or about 11% of the overall sample) did it through organisations and 69% – informally, by themselves (State Council 2018).
- The revenue structure is based on private donations (39%), membership fees (32%), fees from goods and services (28%), governmental support (15%) and the support from private businesses (22%), which are the most common revenue sources among Russian NGOs (HSE, n=1000, 2017). The government subsidies account for 11% of the NGO budget. This share has not changed much remaining practically the same for several years. The government subsidies are the largest source of funding for NGOs active in the field of culture, recreation, health care, environmental safety, and civil rights. Government contracts for the procurement of goods and services are the major funding source for NGOs operating in the area of education and research.
- The sector is in a good financial condition (about 50%). One-fifth of the surveyed NGOs declare they are in a very good financial condition (20%), while approximately the same proportion of NGOs declare their financial situation is bad and they are on the verge of closing (14%) (HSE, n=850 NGOs, 2017).

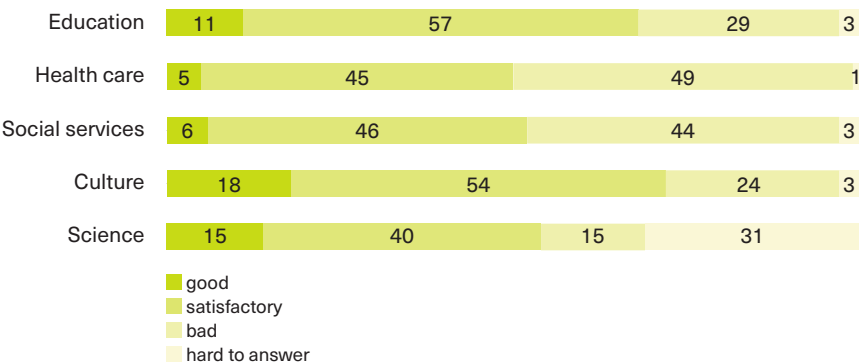
The social context and values as conditions for the activity of non-profit organisations in Russia

This section provides a brief summary of the general atmosphere as regards civil society in Russia. It is a significant determinant and a condition for the non-profit sector development from the perspective of non-formal

grassroots. Social climate, the level of trust and civic engagement to a great extent determine the potential and results of the institutional and organisational efforts for the development of civil society and the non-profit sector in Russia (Bekkers *et al.* 2016). In recent years, the sector has achieved a much higher level of awareness and trust among Russians. Non-profit organisations are gradually perceived as a noticeable actor in the social sphere, both by policy-makers and by the general public. An increasing share of Russians donate to NGOs, although one third of the population prefers informal personal charity. The range of supported causes continues to expand and includes what used to be taboo in the past, such as substance addictions (alcohol, drugs).

In general, the non-profit sector operates in the context of a very low level of satisfaction with the social sphere among Russians. Russians are mainly dissatisfied with the quality of social services. The level of dissatisfaction has been rather stable without much change in the recent years (Fig. 1).

Figure 1. The level of satisfaction with the social sphere (HSE, 2017, n=2000)



At the same time, there is a growing public demand for NGOs to become social service providers. The survey data confirms that NGOs are expected to contribute to the social sphere. The majority (85%) of respondents agree that NGOs should participate in solving social problems, including 27% claiming that NGOs’ participation is indispensable and 58% declaring that NGOs should rather participate in it. Only 12% believe, that NGOs shouldn’t get involved in this activity (Mersianova 2018).

Despite the pronounced need and public demand for NGOs’ contribution to the social sphere and the minimisation of the negative effects of the “foreign agent” law, the public image and the perception of non-profit organisations is rather inconsistent. On the one hand, the image of NGOs among the public opinion is gradually improving, citizens are more informed and

more trustful towards the non-profit activity. It was achieved thanks to both NPO and governmental mass-media campaigns aiming to develop a positive image of such organisations as providers of social services. The level of awareness and the level of trust towards NGOs is rather high. In general, Russians are aware of NGOs (86% have heard about at least one NGO type) and declare they trust NGOs (65% trust at least one NGO type). The proportion of such respondents has significantly increased in recent years. On the other hand, high levels of trust and knowledge are poorly correlated with the confidence in and knowledge about NGOs providing social services and charity. A closer analysis of the available data reveals that only 37 percent of Russian citizens trust certain NGOs. This is aggravated by the socio-political phenomenon referred to as the deficit of trust which emerged in the mid-1990s alongside radical economic and political transformations. The deficit of trust was acute among many social circles and most domains of public life, especially in economics, politics and the social sphere. The deficit of trust is still present in the country and manifests itself by a low level of both interpersonal confidence (only 18% of respondents believe that people can be trusted) and institutional confidence (Mersianova 2018).

Moreover, Russians are not very active in terms of participation in NGOs and volunteering through NGOs. A little more than a third of Russians volunteered in the last year (35%, HSE, 2018, n=2012). However, only 31% of them (or about 11% of the overall sample) did it through an organisation and 69% - informally, by themselves (State Council 2019).

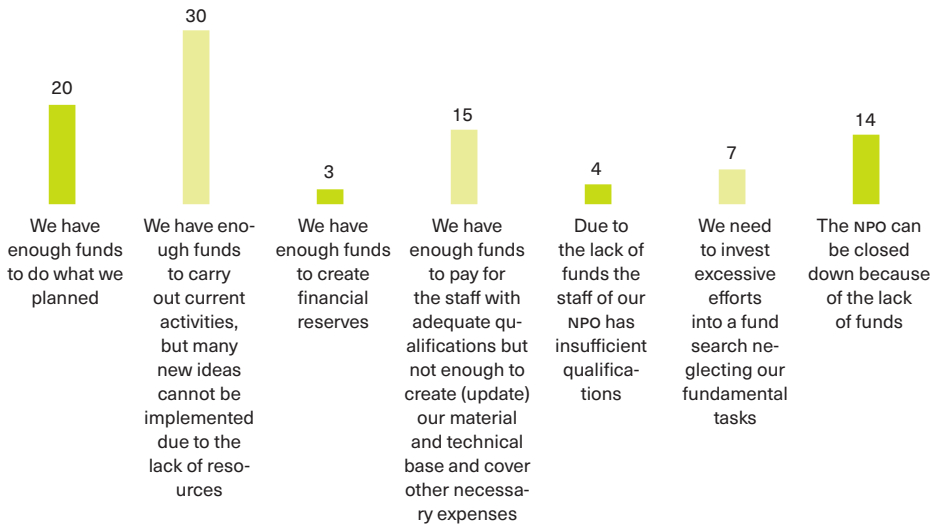
There has been a significant and positive change of opinion among the public as regards non-profit activity and civic engagement in the form of volunteering or philanthropic donations in the recent years. Overall, Russians are positive towards philanthropy and volunteering, and both activities have been gradually winning social approval and gaining popularity. Practically, one-third of Russians mention that their friends (29% of the overall sample) or family members (27%) donate to strangers (HSE, n=2000, 2017).

Financial conditions of the NGO activity in Russia

When discussing the revenue structure of NGOs, it must be said that the sector is still not mature or stable in financial terms. The majority of Russian NGOs are in a moderate or poor financial situation, while only a small proportion of NGOs belong to the group of financially stable and wealthy organisations.

Half of Russian NGOs report that their financial conditions are good (Fig. 2). One-fifth of the surveyed Russian NGOs declare they are in a very good financial situation (20%), while approximately the same share of NGOs declare they are in a poor condition and on the verge of closing (14%).

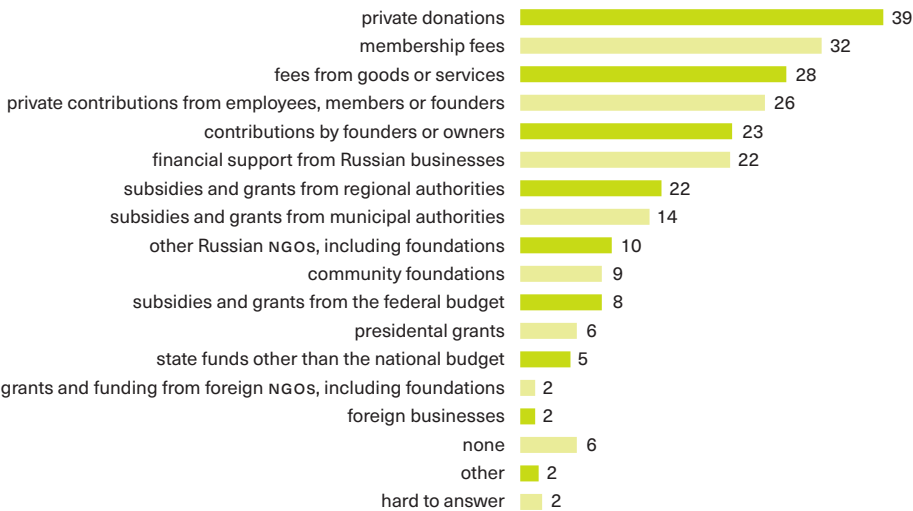
Figure 2. The self-assessment of the NGOs’ financial situation (HSE, n=850 NGOs, 2017)



NGOs have a rather diverse revenue structure. Most NGOs (42%) have 2–3 revenue sources at the same time; one fourth (26%) has only one source and approximately the same is a share of those having 4 and more sources of revenue (24%).

Private donations (39%), membership fees (32%), fees from goods and services (28%) and governmental support are the most frequent and significant revenue sources among Russian NGOs (Fig. 3).

Figure 3. Revenue sources of NGOs in the previous year, % of NGOs (HSE, n=1000, 2017)



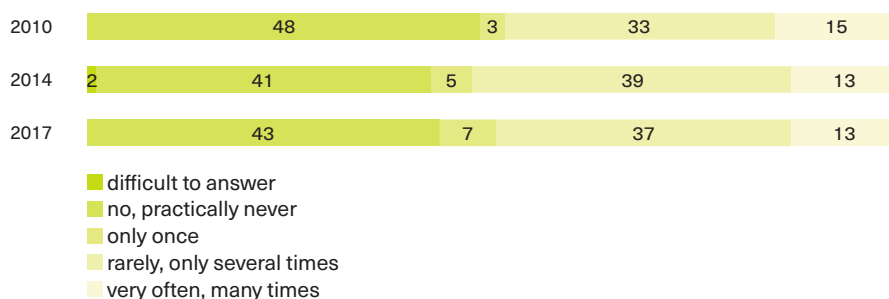
According to the all-Russia NGO survey (HSE, 2017, n=1,000), the government subsidies accounted for 11% of the NGOs' budget. This share has not changed much remaining practically the same for several years. Private donations from individuals and corporations made up 15% and eight percent, respectively. Membership fees amounted to 20% of the NGOs' budget.

The NGO revenue structure described above reflects average values across the country and may be very different for individual organisations whose sources of income vary extensively depending on their field of activity, charter type and region. Considering the average income of NGOs, the national government subsidies are the largest source of funding for NGOs active in the field of culture, recreation, health care, environmental safety, and civil rights. The government contracts for the procurement of goods and services are the major funding source for NGOs operating in the sphere of education and research. 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 their members' contributions.

Private donations

According to the CAF World Giving Index, Russia moved up from the 123rd position in 2013 to the 110th in 2018. Private philanthropy has been growing rapidly with more than half of Russians (57%, HSE, n=2000, 2017) donating to a cause in the past year. This share has grown recently, but the growth was not very significant (51% of Russians donated in 2010). More than a tenth of Russians (13%) donate very often on a number of occasions (Fig. 4), while approximately a third do it rarely, only several times (37%).

Figure 4. The frequency of donations (HSE, 2017, n=2000)

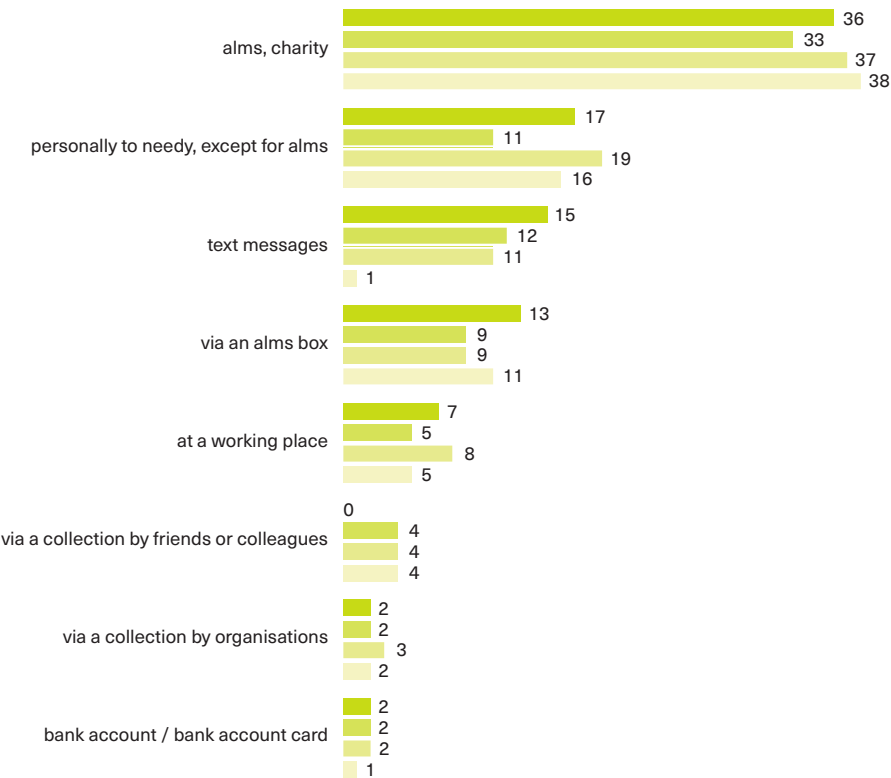


Supported causes. Philanthropic donations are predominantly for those in need. Russians donate mainly to help children with health problems (32% of Russians or 56% of those who donated). Children without parental care, elderly people, people with disabilities and those who suffer from

natural disasters are another most frequent cause of donations (23%, 19%, 16% and 16% respectively).

Donation forms. Russians make donations in many different forms, but there are still many donations made informally. NGOs are not the most common target of private philanthropy. The majority of those who donate do it informally (Fig. 5). About a third of Russians (36%) donate in the form of alms. Accordingly, alms are given by 63% of those who donate in general. 17% of Russians (29% among those who donate) donate personally to the needy. Donations through text messages are a third most frequent way to donate – 15% of Russians do so (26% of those, who donate). Russians still rarely think that non-profit or government organisations may be donation targets or intermediaries in the process.

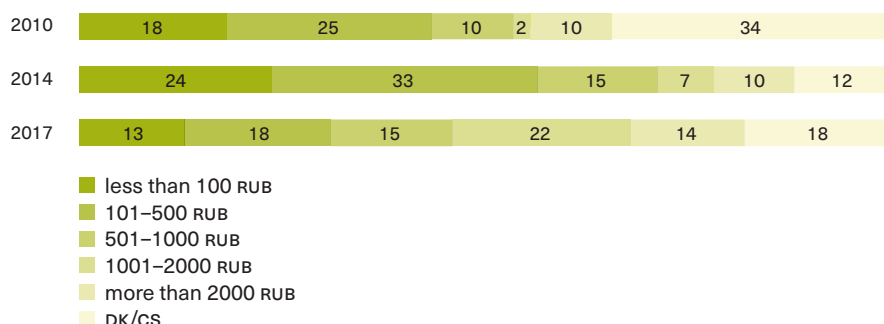
Figure 5. Donation forms (HSE, n=2000, 2010, 2014, 2015, 2017)



Extent of charity. The average size of an annual donation has slightly increased in the recent years (Fig. 6). The 2011 estimate reveals an average donation at the level of 1680 RUB (approximately 25 EUR/USD). The 2017 data indicates the distribution of population according to the amount donated (HSE, 2017, n=2000). About half of those who donated gave no more than

500 RUB (about 9 USD), 15% donated from 501–1000 RUB (9–17 USD), 17% donated more than 1000 RUB (more than 17 USD).

Figure 6. An average donation in the previous year (HSE, n=2000, 2017)



Demographics of donors (for an overview see Mersianova, Korneeva 2017). Women donate more often than men (63% vs. 50 %), but men donate more (2328 vs. 1260 RUB – 39 vs. 21 USD). Russians aged 31–45 and 46–60 are the most active donors (56% and 55%, respectively). About 52% of people under the age of 30 donate, while 46% of those older than 60 do so. People with children make donations more often than those who do not have children or whose children live separately.

The higher is the level of education, the higher is the level and frequency of donating. More than half of Russians with higher education donate (66%), while 52% with secondary education and 42% of those with elementary education do so.

Religion is a demarcation factor for the donating activity among Russians although it is not a strong one. Muslims donate more frequently. Non-believers donate considerably less often (39% vs. 57 %, on average). The frequency of donations is positively connected with the frequency of church attendance (82% of weekly visitors vs. 75 % of monthly visitors vs. 44 % of sporadic visitors). The Islamic community seems notably more active than other religious groups, based on the survey results. Religious communities, especially Orthodox parishes, are not the hotbeds of mutual aid at present and they certainly cannot be considered massive donors outside of the group. Of course, there are exceptions to this rule, but they are relatively rare. Unlike in many other countries, the development of charity in the present-day Russia is only feebly connected with the activity of religious organisations.

The level of household income as well as the donor's professional profile are related to the frequency of giving. Those with a lower level of income donate less (44% vs. 57% on average). Those who work in education

and science (73%) as well as health (72%) donate more often. Those employed in agriculture donate less (45%).

The government's approach towards NGOs

The current state of the Russian non-profit sector is described as a static pattern of civil society development (Salamon, Sokolowski, Haddock 2017). The pattern is entrenched in the situation when state bodies resist demands for social services made on behalf of population groups and “policies significantly limit space for any expressive activities of population groups and civil society development”. Distinctive descriptive features of this pattern include a relatively small, highly constrained non-profit sector, fairly limited volunteer mobilisation, a limited share of non-profit revenue provided by the government and the major focus on service functions with the exclusion of advocacy.

The on-going political environment for the non-profit sector and civic activity in Russia is of dual, ambiguous nature (Skokova 2017). The recent intensification of legislative action highlights an increased state interest in the sector. The state establishes substantial supportive initiatives for NGOs working in the social sphere. Indeed, the level of satisfaction with the social sphere is constantly low among Russians despite numerous governmental initiatives. As to population polls (HSE, 2017, n=2000), only 5% of Russians agree that health care is in a good condition, while 49% think it is in a bad state. These levels have remained rather stable not changing much in the recent years (State Council 2018).

Simultaneously with supporting the non-profit sector, the government implements restrictive initiatives directed at foreign organisations and those working in advocacy areas, human rights and environmental protection.

Restrictive legislation. The development of Russian NGOs has been undermined by a series of repressive laws, including the 2006 NGO law, the “foreign agent” law (2012), the law on “undesirable organisations” (2015), and the recent requirement to publish information about donors receiving foreign funding (December 2018), all of which delegitimise non-profit activity.

The adoption of the “foreign agent” law has become a specific instrument of selective governmental pressure on human rights organisations. Since the adoption of this law in 2012, more than 150 NPOs have been included in this list, and as of December 2018, 71 organisations still had this status. Among them, 41 are human rights and environmental organisations, 19 are research centres, 11 are social organisations, 4 of which are devoted to HIV prevention.

In 2015, far-reaching amendments were made to the Criminal Code and the Code of Administrative Offences of the Russian Federation. They involved the introduction of the status of “undesirable organisation”. In

contrast to the “foreign agent” law, the law on “undesirable organisations” focused on international NGOs and their partner organisations in Russia (Federal Law 129-FZ, May 23, 2015). The law prohibits the establishment of branches in Russia, the distribution of information through the Internet or the media and the funding of any local Russian organisations. The registry of “undesirable organisations” includes mainly those international organisations that supported the non-profit sector and democracy promotion in the 1990s. As of early 2019, 15 international organisations were identified as undesirable in Russia. They are, among others, the National Endowment for Democracy, the National Democratic Institute for International Affairs and the European Platform for Democratic Elections (Skokova *et al.* 2018).

Restrictive legislation (2012–2019) focuses on the non-profit activity in contested political areas. Independent think tanks, advocacy, human rights and environmental non-profit organisations found themselves in the least favourable position (Krasnopolskysya *et al.* 2015). Although it affected a relatively small number of NGOs (about 150, 2012–2018), it negatively influenced the entire eco-system of the non-profit sector and government – non-profit relations. This legislation is applied as a frightening and limiting instrument for certain selected non-profit organisations. The entire sector is a potential target for these legislative acts. Such legislation has increased legal insecurity for all NGOs and negatively influenced the level of public trust towards them. Thus, the “foreign agent” law has strengthened the rift between the “useful” social sector and “potentially dangerous” human rights and environmental NGOs (Skokova *et al.* 2018). Regulations are selective. They are applied to NGOs working for the benefit of unsafe or potentially dangerous causes, such as protests or watchdog activities. The current conditions mean that the “potentially dangerous” NGOs are now suffering because of the absence of financial or operational capacities as well as the public perception of decreased legitimacy, making it more difficult for them to operate.

Supportive legislation. The state offers financial and in-kind support to NGOs with the focus on social service provision. The Russian government focuses on welfare and social stability and seeks new actors to provide social services (Salamon, Benevolenski, Jakobson 2015). Nationwide programmes targeting this domain have been implemented since the 2010s. To mention just a few, they include “The concept of volunteerism (volunteering) in the Russian Federation until 2025” (27 Dec. 2018, No. 2950-p), “The rating of the constituent entities of the Russian Federation based on the results of the implementation of support mechanisms for socially oriented non-profit organisations and social entrepreneurship ensuring the access of non-governmental organisations to the provision of services in the social sphere and the introduction of competitive ways to provide state (municipal) services in the

social sphere” (19 June 2017, No. 1284-p) and the most recent “The concept of promoting the development of charity and volunteering in Russia for the period until 2025” (15 Nov. 2019, No 2705-p).

The financial support of NGOs is implemented at federal, regional and municipal levels. A remarkable initiative enacted by the Russian government in 2012–2015 was a starting programme of a systematic federal support for non-profit organisations. This programme aimed to strengthen government – non-profit collaboration and to spread supportive legislation over all 85 Russian regions by matching grants to regional authorities to stimulate the regional government support of NGOs. Conceived and implemented by the Ministry of Economic Development (MED) of the Russian Federation, this programme delivered funds to non-profit organisations not in the form of direct grants from the federal level, but through grants to regional authorities, with the aim to incentivise regional governments to forge collaborative relationships with non-profit organisations in their regions, where the responsibility for operating human service programmes actually resides. By the end of 2016, 75 out of 85 Russian regions had established regional support programmes for SO NGOs, compared with only seven regional support programmes in 2010 (MED 2016).

The total amount of MED funding alone was 926 million RUB (15.4 million USD) in 2014 and 859.4 million RUB (14.3 million USD) in 2015 (MED 2016).

The MED programme was transferred from the Federal Ministry of Economic Development to the presidential administration and lost its regional component in 2016. Since then, the programme has been centralised at the federal level and now it offers the so-called presidential grant competition for NGOs without co-funding regional support programmes. However, in early 2020 the President announced the re-introduction of the regional component. Federal funds (3 billion RUB) will be awarded to support regional grant programmes aimed to support local NGOs. This additionally illustrates the recognition of the significance of the regional level for the non-profit sector development and stability.

Presidential grants awarded to NGOs across the country are the most well-known form of federal support. The Presidential Grants Foundation was established at the beginning of 2017 as a new form of the already existing grant committee. The previous system of nine “NGO operators” evaluating applications was dismissed. In 2017 the budget of presidential grants increased sixfold in comparison with 2012. By the middle of 2019, it ran six grant competitions. According to the results of the 2017–2018 competitions, 6786 projects were supported with the overall funding of 14,490 million RUB (242,000 USD). The share of the supported regional projects increased three times (3,213 projects were supported in 2017 and 3,573 in 2018). One-third

of the regional projects were submitted by NGOs from small towns and the countryside (Froehlich, Skokova 2020).

Federal and regional ministries provide a noticeable share of financial support to nonprofit organisations. They are the Ministry of Culture, the Ministry of Health, the Ministry of Labour and Social Protection, the Ministry of Economic Development, the Federal Medical-Biological Agency, the Ministry of Emergencies and some others. The overall amount of support allocated from federal ministries has been continuously growing (Table 1, Ministry of Economic Development 2019). The federal support increased by 13.7% going up from 10.3 billion RUB in 2017 to 13 billion RUB in 2018 (171.6 million USD in 2017 and 216.6 million USD in 2017).

Table 1. The financial support from the federal budget allocated to SO NGOs in 2017–2018

Federal authorities	Financial support		Distributed on a competitive basis		Number of SO NGOs supported	
	2017	2018	2017	2018	2017	2018
Administration of the President of the Russian Federation (Presidential Grants Foundation)	6 653 841	8 016 814	6 653 841	8 016 814	3213	3573
Ministry of Labour and Social Protection	1 319 184	2 294 184	—	—	25	29
Ministry of Emergencies	90 000	88 200	90 000	88 200	6	9
Ministry of Culture	2 115 331	2 483 345	984 976	1 418 727	179	184
Federal Agency for the Press and Mass Communications	107	12 013	—	12 013	138	4
Federal Agency for Youth Affairs	113 500	68 886	113 50	68 886	96	5
In Total:	10 291 963	12 963 444	7 842 317	9 604 642	3657	3804

The support allocated to SO NGOs by the regional authorities is also increasing – it grew from 20.9 million RUB in 2016 to 27 million RUB in 2017 (348,000 USD in 2016 and 450,000 USD in 2017). The number of supported NGOs increased by 18% going up from 5,811 non-profit organisations in 2016 to 6,858 in 2017. Reasonable proportions of the overall amount of funds were allocated by Moscow (5.4 million RUB out of 27 million RUB in 2017; 90,000 USD out of 450,000 USD) and by eight Russian regions (Saint-Petersburg,

Bashkortostan Republic, Chechnya Republic, Krasnoyarsk region, Perm region, Samara region, Khanty-Mansiysk Autonomous Okrug).

Another plan aimed at strengthening the non-profit sector is to involve NGOs in social service provision through public procurement tenders. This trend started in 2013 with the adoption of Federal Law No. 442 which regulated social service provision and, for the first time, mentioned NGOs as potential social services providers. Secondly, the President called for the allocation of a part (10%) of the regional budget to social services provided by NGOs (2015). The third initiative to facilitate the role of NGOs in social service provision was 'A set of measures aimed at ensuring the access of SO NGOs operating in the social sphere to budget funds allocated for the provision of social services to the population in 2016-2020' (May 23, 2016, No. 344p-P44). According to the Ministry of Economic Development, funds were distributed among 4,100 NGOs in 2017. Social services were provided to more than 6 million people. Fourthly, the concept of "NGO – a provider of socially beneficial services" was introduced in 2017 (amendment to the Federal Law No 7-FZ. 1 January 2017). This status gives NGOs an opportunity to obtain long-term grants on their operational activity and other in-kind support, including rent-free use of property, and free access to the media in the form of social advertising. However, the registry of NGOs that provide socially beneficial services includes only about 180 organisations across the country.

Non-financial support. Along with financial support, NGOs are eligible for other forms of support (the Federal Law No 7-FZ SO), which include: real estate support (provision of real estate municipal property free of charge or at reduced rates); information and consulting, training, education for volunteers and NGO employees; tax incentives; government contracts for the procurement of goods and services from SO NGOs; in-kind support and tax incentives to legal entities supporting NGOs.

Tax incentives and real estate support are less developed and less transparent, while the support in the form of information and education is provided in a reasonable manner. Current legislation offers no tax deductions or other incentives for legal entities, corporate foundations or corporations implementing CSR or philanthropic activities. Legal entities donate to NGOs from their net profit while advertising or other similar activities are attributed to costs. Private donations, except for those made by legal entities, are eligible for a tax refund. Still, this instrument is not a significant stimulus of the development of NGOs' financial stability, neither is it beneficial for the overall development of philanthropy. According to an all-Russia survey (HSE, 2012, n=2,000), only two percent of the respondents named income tax deductions as a pre-requisite for their charitable giving.

Unlike commercial enterprises, NGOs are subject to certain tax incentives according to the Russian legislation. NGOs active in the social sphere, culture, sports, education, and health are eligible for a reduced insurance premium rate (20% of the wage fund). It was introduced under Article 427 of the Tax Code of the Russian Federation and recently extended up to 2024.

Real estate is a highly articulated need among non-profit organisations. Most NGOs report it. Out of 227,000 Russian NGOs, 8,000 own real estate, 32,000 use municipal or public real estate gratuitously, 26,000 rent untenable estate, while the rest is in search of property. The access to real estate as a form of support was granted to 3,500 NGOs free of charge or on a reduced rate basis (3,408 NGOs, 2017). The transparency of in-kind support is very low as only 9% of the overall estate space was allocated in a competitive way via open grant competitions.

Informational and PR support. Russian civil society and the non-profit sector are frequently discussed in the context of the low level of public trust and confidence in non-profit organisations as well as low civic engagement. The government introduced several initiatives with an aim to overcome these barriers and increase the level of philanthropy and volunteering among Russians. Here are some examples of several initiatives promoting philanthropy and volunteering in the media and the public discourse:

- the government gives priority to volunteering and private donations in official documents; the President of Russia emphasises SO NGOs, volunteering and philanthropy in his annual speeches;
- promotion of volunteering: preparation and conduct of the Winter Olympic Games (2014) and FIFA World Cup 2018; Year of Volunteer (2018), etc.;
- lobbying for philanthropy and fundraising campaigns with the participation of celebrities;
- promotion of transparency, e.g. “The Starting Point” competition for annual reports submitted by NGOs; the federal social advertising competition “The Advertisement of the Future”; the “Leaders of Corporate Philanthropy” competition, etc.;
- fundraising campaigns, marathons, e.g. Giving Tuesday, the Running Hearts marathon, etc.;
- the media, including the Internet, the press, and television. For instance, the Public Television of Russia was established under the presidential decree (2013) promoting civil society. Newspapers and federal TV shows present information and reports on philanthropy and nonprofit organisations as well as causes worth supporting (Channel 1, Channel 5, the Kommersant newspaper, Vedomosti, Komsomolskaya Pravda, and some other). The regional media also publish materials on philanthropy and NGOs on a regular basis. The online media and news platforms facilitate mass philanthropy

and work for the benefit of foundations and NGOs (Agency for social information, DobroMail.ru, Takie Dela, Miloserdie, etc.);

- infrastructural organisations support and advocate for the sector. They provide education and consultation services and materials, usually free of charge; organise conferences and events; advocate and remain in close contact with policy makers, participate in the political agenda setting process; provide expert and analytical services for federal, regional and municipal authorities. (Forum Donorov, the Association of Fundraisers, Public Chamber, the Volunteers of Russia along with universities and research centres).

Limitations of support initiatives

Despite intensive support initiatives, there are certain drawbacks as regards their initial planning and actual implementation.

First, the overall amount of financial support for NGOs has resulted in an increase in grant-dependent expectations from NGOs. This, according to experts, has led, first of all, to a certain decrease in the financial diversity and stability of NGOs. Secondly, on average NGOs appear to limit the variety of implemented programmes and projects in favour of short-term events. As soon as grants are of one-year duration, NGOs fail to plan long-term structural and infrastructural projects. Otherwise, there are reasonable exceptions – large and well-established NGOs supported by governmental grants are likely to implement complex infrastructural projects. Small regional NGOs are likely to apply for event-based projects.

Thirdly, support initiatives at the federal, regional and municipal levels are not consolidated. There is no general information on volumes, directions and recipients of governmental support that would be consistent. Therefore, policy makers have no comprehensive idea of the amount and territorial distribution of the support.

Fourthly, the new status of NGOs as providers of publicly beneficial services has questionable efficacy for the sector. Indeed, it is related to inconsistent legislative regulations and bureaucratic procedures. Preferences awarded to such providers are also not clear and the relevant regulations differ to a great extent across regions. As things stand today, this status does not ensure any significant preferences according to the Civic Chamber.

To conclude, the Russian non-profit sector has been continuously growing and gradually becoming a significant actor in the social sphere. The government support is relatively developed and diverse covering financial, organisational, and institutional areas. At the same time it must be applied in the environment where the level of trust towards NGOs among the general public is low, and additionally, there are restrictions as regards policy initiatives.

In general, Russian NGOs can achieve relative stability when they do what the government expects from them, i.e. provide social services. Organisations that co-collaborate with the state receive benefits in the form of financial aid and do not need to deal with severe administrative or legal obstacles. The existing studies show that NGOs which are most likely to adjust to the state administration's vision of civil society and gain benefits from such a relationship are usually those active in such domains as health, education and 'traditional' social policy issues. Working within these 'permitted' spheres of activity is a precondition to be able to continue operations and achieve relative stability. These particularities curtail the development potential of nonprofit organisations and decrease the social and financial stability of the sector.

Data sources. Secondary data

1. Russian Federal State Statistics Service, RFSSS (<http://www.gks.ru>).
2. Representative population surveys carried out by the Centre for Studies of Civil Society and the Nonprofit Sector of the National Research University Higher School of Economics, indicated as HSE (grans.hse.ru). Surveys are carried annually since 2006, thus, references in the text are indicated as "HSE" with a corresponding year. Every survey represents an adult population of the Russian Federation and evaluates the level of individual donations. Household donation behaviour was not examined. The method of face-to-face interviews was used. Data were collected by the Public Opinion Foundation. Annual samples included respondents selected on the basis of socio-demographic characteristics representing the adult population of Russia divided by sex, age, type of community, education, and socio-professional status. The statistical error does not exceed 3.4%.
3. Representative organisational surveys carried out by the Centre for Studies of Civil Society and the Non-profit Sector of the National Research University Higher School of Economics (HSE) in 2015, 2018. The survey examines the status and scope of non-profit organisations in Russia (Mersianova *et al.* 2015; Jakobson *et al.* 2011). To ensure the maximum number of the non-profit sector representatives, a stratified cluster sampling strategy was employed. The number of NGOs is 850 units. The sample represents the general population of non-profit organisations of different types and legal forms which have been officially registered as non-profit. The inventory contains formal close-ended questions related to organisational demographics, inter-organisational activity, interactions with the government bodies and the revenue structure. Interviews were performed in-person with CEOs of the selected NGOs in rural and urban areas. The "Public Opinion" Foundation, one of the three leading Russian polling agencies, carried out the interviews.

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