

The Third Sector in Russia: a Change of Model

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The present paper offers and evaluates a theoretical framework for the appraisal of the evolution of the third sector in Russia. Its history in the preceding fifty years is presented as a successive change of three models – latent growth, import-dependent and rooted – each regarded in four dimensions: developmental driving forces, sector structure, dominant organizational culture, and relations with the state. The character and change of models are explained proceeding from the demand/supply characteristics of resources and institutions of the sector. The greatest attention belongs to the rooted model, which is presently taking shape. This versatile and problem-laden process is analyzed on the basis of civil society monitoring made with the authors' participation since 2006. This analysis reveals rather intensive import substitution of the resources and institutions of the sector, and the emergence of prerequisites for its sustainable development. Their implementation depends, however, on the state of the economic, social, cultural and political environment.

1. Introduction

A majority of foreign experts are rather skeptical, of late, about developments in the Russian third sector (see, e.g., Helsinki Commission, 2006; Human Rights Watch, 2008). Such evaluations are understandable. Thus, recently introduced state standards complicate TSO registration and accounting to send their operational costs skyrocketing (Auzan et al., 2007).

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Organizations closely linked with Western donors have the greatest problems of all as donors are cutting their grants and officials are suspicious of such organizations. Importantly, these organizations are best known abroad, and their situation is all too often the principal criterion on which the situation in the entire sector is appraised. Only few authors attempt to cross the limits of the latest developments and evaluate the essential developmental trends in the sector since the collapse of the USSR. Their appraisals are mostly rather negative, too. In particular, they note a lack of public desire to get involved in civil affairs, inadequate institutionalization of TSOs, necessity of personal contacts with key political figures in public groups' relations with the state, domination of the state in the political sphere, and dependence on overseas funding (Evans et al., 2005, p. 305).

Now, if we take a broader view, we see not decline but progress, however impeded and contradiction-laden it might be. This hopeful assessment does not by far idealize either the condition of the sector or state policies. Be that as it may, it does not boil down to enumeration of failures and compassion for assumed victims – unlike dominant opinions. This broader view allows identify the *inner driving forces of the sector* and helps those who really want to improve the situation to find their bearings. What matters most, this approach is adequate to the vast available empirical material, while negative evaluations mostly base on fragmentary information.

The opportunity to take a broader view of the situation appeared when civil society monitoring was launched in Russia. Its two rounds, of 2006 and 2007, were made under the leadership of one of the authors of the present paper, and with the other's participation. The monitoring included, first, representative public opinion polls on the perception of human rights and their implementation, and public activism and participation in TSOs and informal societies; second, opinion polls among TSO leaders and activists on the conditions of TSO activities and its effectiveness; and, third, opinion polls among school teachers, university professors, researchers, doctors, businessmen and managers on the problems of their professional guilds. Municipal policies of supporting and developing public initiatives were also analyzed, which included opinion polls among officials responsible for relations with civil society in regions. The monitoring also included a study of the expert community's role as an interface between civil society and public authority.

The monitoring involved the State University – Higher School of Economics, the Yury Levada Analytical Center, the Public Opinion Foundation, the St. Petersburg Strategy Center, the Zadorin Sociological Workshop (CIRCON), the Vox Populi public opinion study center, and other research organizations. Materials of the monitoring partly found reflection in the reports of the Public Chamber of the Russian Federation for 2006 and 2007 (Report, 2007). The figures

below were obtained in the monitoring, with the exception of those whose sources are specified in the text.

The vast amount of empirical data may make one not see the wood for the trees, as the saying goes. This is all the more probable when the young wood is barely rising above the humus left after plants that used to grow on the same spot. To all appearances, what is going on in the Russian third sector can be explained only in the terms of formation. The situation must be interpreted in its connection with the past and the future. For this, we advance *three models*, which we conventionally term “*latent growth*”, “*import-dependent*” and “*rooted*”. These models are treated as *relatively stable combinations of dominant trends and characteristics* of the third sector, regarded in *four dimensions*: driving forces of development, sector structure, dominant organizational culture and relations with the state. We believe that such an approach is fruitful in identifying the formative stages of civil society not only in Russia but also in other post-socialist and developing countries.

The characteristics of the proposed approach are revealed and its application substantiated in Section 2. Sections 3 and 4 concern the latent growth and import-dependent models. Section 5 analyzes the rooted model, and Section 6 contains basic conclusions.

2. The Third Sector Institutions: Demand and Supply

Our approach is meant for studying systemic changes during the evolution of the third sector in combination with succession intrinsic in the process. This is why the models we are elaborating have little in common with, say, the model “social origins of civil society”, advanced in (Salamon and Anheier, 1998) and its later modifications (Salamon and Sokolowski, 2006). The matter does not concern the difference between comparisons in time and in space. Not so much the different states of the sector as such interest us as factors determining their replacement, the stability of their present state, developmental potential, etc. It is worthwhile to structure those factors in terms of demand and supply.

The desire to discern succession in changes makes us put aside the somewhat scholastic argument on whether the third sector and civil society existed in the USSR (e.g., Biddulph, 1975, Uhlin, 2006). If we identify the sector with a sum total of registered nonprofit legal bodies, we would have to admit that it came out of the blue as soon as relevant laws were passed. However, the present demand for the institutions of the Russian third sector takes root in the demand for institutionalized self-organization, which certainly existed in the USSR, though it was extremely limited and never met adequate supply. As for the present-day supply of such institutions, it also, to an extent, succeeds to the small and peculiar supply that existed in the USSR. So we do not think it expedient to proceed from the purely legal definition of the sector. In this instance, we

agree that definitions “are ultimately judged by their fruitfulness, and the core issue is neither their normative bias nor cultural specificity, however defined, but the way and extent to which they generate knowledge and enhance understanding” (Anheier, 2007).

The paper regards the third sector as a total of such *cells of regular and more or less organized human cooperation* as correspond to the following criteria:

- cooperation has a fairly definite *body of participants* and fairly stable and definite *goals*; the latter are, as a rule, altruistic or pertain to participants’ creative self-fulfillment or to collective improvement of their private life;
- at any rate, the goals are not directly connected with obtaining *profit* or with the seizure or exercise of *political power*; so the cell does not directly belong to the spheres of business and the state;
- the cell emerges, functions and disappears on the basis of *voluntary and conscious self-organization*; its entrance and exits are *open*; its membership is not determined by descent (this is why, in particular, families, clans, etc., do not belong to the third sector).

TSOs certainly correspond to these criteria. At the same time, the sector, in the given sense, includes numerous unregistered communities – some of them active in the Internet. The definition spreads, among others, to cells emerging within formal organizations but function according to the logic of self-organization, which does not coincide with the interests of those who stood at the cradle of the “envelope” organization. Further on, we show that this pattern was characteristic of the embryos of the third sector in the moribund Soviet Union.

The layout of the sector in a particular place at particular time is determined by the *demand and supply* of its *resources and institutions*. The demand and supply of the former are more spectacular and easier to study than of the latter. However, the demand and supply of *institutions* are the strongest determinant factors of the types and opportunities of cells, relations within and between them, and their relations with the social milieu, including families, the state, business and other cells³. We mean such heterogeneous phenomena as, for instance, the institutions of recruiting potential participants in voluntary cooperation on the basis of stimuli important to them, the institutions of legalizing cooperation (in particular, TSO registration), the institutions of rule and subordination in the organization, the institutions of funding and resource allocation, of moral support or pressure from the community and the state, and much else. Studies of the evolution of the third sector should concern all those phenomena. However, to

³ The term “institution” is understood here the way it is treated by institutional economics (e. g. North, 1990).

make the object observable, it is expedient to reduce reality to models and focus on its most spectacular aspects, which are, we hope, also the most relevant.

3. The Latent Growth Model

Soviet history can be conventionally divided in two periods – in Joseph Stalin’s lifetime, and after his death in 1953. The Communist Party was spreading its power and ideological influence on all spheres of life in the first period, and the system began to erode and gradually give room to private life in the second (Zudin, 1999a and 1999b) to offer certain prerequisites for autonomous self-organization. However, Soviet social activism was mainly structured by the state at that time, too. Free self-organization was manifest either as simple mutual assistance in the daily routine or within structures established by the state but left outside its total control or, again, as protest against state actions and the official ideology.

The state displayed interest mainly in quasi-TSOs, or GONGOs, which would serve as its transmission belts of a kind. It, however, tolerated niches for voluntary activism in ideologically neutral spheres – such as environment protection, amateur acting, etc. – and occasionally supported and funded them. Even communist youth organizations in the countries of the Soviet bloc possessed embryos of genuine self-organization and mutual assistance at the lowest level (see Anheier, 2000, Eliaeson, 2006, p. 125).

Institutions formed by communist parties in their own interests partially transformed into institutions of self-organization as the *supply* of such institutions by the *state* met with mounting *private demand* for institutions of altruistic activity, self-fulfillment and collective arrangement of private life. The trend resulted in institutions of a mixed nature, which allowed dual use. On the whole, such institutions were unstable and not very effective – but they provided elbowroom, however small, for the development of the third sector. The state strove to channel altruistic activity into its own. However, state activity of the 1970s and early 80s was gradually switching from implementing ideological abstractions to attempts to settle real social problems – hence comparative peacefulness of dual use. As the result, the Child Foundation, artists’ and writers’ guilds and some other organizations gradually became tools not only of the state but also of their members and donors. The state eased its grip on religious communities, so they could take up education and charity, though on a very small scale. Before, all their activities except liturgical were considered criminal.

Private persons eventually received ever greater opportunities not only to use niches supplied by the state in their own interests but also to become *subjects of supply* coming from self-organization institutions. Mutual assistance societies and cooperation clubs emerged in rather a large number in sports, tourism, music and other spheres. They were unregistered, for

the most part, and felt occasional pressure from the authorities. Many others spontaneously arose within official organizations to use their brands and resources, and spectacularly modified their activity – as, for instance, many grassroots structures of official Soviet trade unions. However, institutions spontaneously organized by the public largely imitated Soviet patterns of organization culture or, on the contrary, worked in deliberate contrast to them.

The dissident movement was the most active part of Soviet civil society – and the best-known outside the USSR (see, e.g., Sakwa, 1998). It was at the longest distance of all from the ideas and resources of the Soviet state. This distance helped active dissidents to play an inestimable part in the preparation of political reforms and the later emergence and establishment of the new Russian third sector. However, even dissidents largely relied on certain segments of official structures. In particular, they used elements of self-organization and independence, which penetrated those structures, as we mentioned above (Pollak, 2004). More than that, state policy was equally dangerous to all dissidents and thus provided, even despite the state's will, stimuli for extensive self-organization in the dissident milieu (Sakwa, 1998, p. 211). All dissidents had one enemy. That was why ardent proponents of mutually incompatible ideas joined hands – democrats and monarchists, Christian and Muslim fundamentalists, Russian nationalists and fighters for the freedom of non-Russian Soviet republics.

The state's position also brought another result. Almost irrespective of the sphere and goals of self-organization cells, they inevitably clashed with the Soviet system when they strove for autonomy and would not stoop to any compromise. The declining regime put up with trespasses of its monopoly whenever they were masked, however slightly. Those who did not pretend automatically came close to dissidents. Thus, self-organization cells that rose among, let say, rock fans or people taking an interest in esoteric doctrines acquired a political coloring even despite their will. That was how none other than state policy gave an impetus to such developmental trends of the third sector that the regime was loath to see.

Let us now sum up the basic characteristics of the four above-mentioned dimensions.

- The activity of the Communist Party and the state subordinate to it, of the one hand, and spontaneous public response to this activity and its increasing inefficiency, on the other, were the basic *driving forces*. Due to the Communist Party monopolist control of all resources and institutions, autonomous self-organization was a kind of neoplasm gradually eroding the social organism created by the party. It was, at the same time, dependent on that organism, feeding on its tissues and regenerating them.

- Informal cells dominated the *structure* of the sector. Some of them emerged within state and quasi-state organizations and worked in their disguise.

- The dominant *organizational culture* bore a strong imprint of Soviet bureaucratic culture due to insufficient knowledge of other patterns, close contact of even relatively autonomous cells – in particular, religious communities – with the state, and an absence of pronounced borders between many cells of the third sector and organizations within which they functioned.

- *Relations with the state* can be described as close despite the will of both sides but by no means partnerly. The state strove for unlimited domination while cells of the third sector either used state resources to their own ends or opposed it or, again, combined the two in varying proportions. Environment protection was one of the few lucky exceptions of mutually beneficial partnership.

It was by no means a sustainable model because it derived from a specific situation of the state, which was anxious to entirely control actions and even thoughts while it was getting more and more impotent.

4. The Import-Dependent Model

The change of the political and economic system doomed the latent growth model. To former western parts of the USSR, mainly the Baltic republics, and former eastern parts, mainly Central Asia, it meant the liberation of driving forces and mechanisms of self-organization partly extant in latent form since the pre-Soviet time. In the West of the Soviet Union, the trend found expression in a rapprochement with the European variant of the third sector, while the East mainly revived forms of self-organization characteristic of pre-industrial time. In this respect, Russia was unlike the outskirts of the former USSR: advanced modern forms of collective action had not taken firm root there before the Soviet regime was established, while the more archaic forms were uprooted by rapid industrialization and urbanization. Russia had no sufficient experience and legal prerequisites for the third sector to function properly in keeping with the modernized economy and everyday life, with the rather high educational level of the population, and the popularity of liberal Westernizing ideas, so characteristic of the early 1990s.

A severe crisis accompanied the establishment of the market economy. The incomes of a majority of the population dramatically shrank, and many had to spend all their leisure time working on the side. The time and money that could be spared for the third sector were thus acutely insufficient. At the same time, the demand for assistance and services that could be provided by the third sector skyrocketed as the state drastically reduced its welfare activity. A few people got rich very quickly with the sweeping change, which implied property redistributed on an unprecedented scale. Success was mostly the lot of people who had no use for altruism and charity. The nascent Russian business world was very tough in the 1990s. Most businessmen had

to pay to racketeers, and many recruited gangsters to bully their competitors—certainly, not a situation for philanthropy.

Sociological studies of that time revealed mass frustration and mistrust. 56% of respondents trusted others in 1989 against 25% in 1990. Confidence eventually stabilized at 22% (Yassin, 2007; Report, 2007). The public mood was certainly detrimental to self-organization. This cannot surely be regarded in absolute terms. The later establishment of the third sector proves that it had social, cultural and economic bases in Russia. They were extremely weak, however, especially at the start. *Import of resources, ideas, information, work habits and organizational decisions* compensated this weakness on a tremendous scale.

Available data are incomplete, so we cannot describe the scale, forms and results of such import in sufficient detail, and have to make do with mentioning certain figures. All Russian public organizations contributed a total \$65.7 million to the GDP in 1997. The USAID, the biggest overseas donor, spent \$173 million in Russia, and George Soros, the most generous of private donors, spent \$33 million on charity. These figures are certainly not directly comparable as the third sector includes not only public organizations, and donor assistance was not limited to this sector. Be all that as it may, there is an impressive fact—the Russian-oriented budget of only one overseas government agency exceeded almost threefold the contribution of the most representative segment of the Russian third sector, while one foreigner's donations made a half of that contribution.

Donors did not give money alone. They transferred to Russia the culture of the Western, mainly American, third sector through activist training, curricula, teaching aids, etc., and in communication with leading Russian TSOs, many of which were established on their initiative. Organizations outside such influences usually formed quite a different culture, which combined, in varying proportions, elements of the Soviet and the Russian entrepreneurial culture of the 1990s. This concerns former Soviet foundations, associations, etc., whose survival largely depended on adaptation to the market demands and morals of that time.

Donations, with their essential importance, directly influenced two salient features of the Russian third sector model of the 1990s. The first concerns activity priorities, and the second contacts within the sector. Donors were mainly interested, on the one hand, in preventing catastrophes, in the broader sense, and in a rapprochement of the Russian public and state with the Western, on the other hand. Therefore, attention focused on environmental, refugee, HIV and other problems, on the one hand, and on supporting human rights, education, research, the arts and journalism, on the other hand. As for social problems that did not threaten catastrophes, they did not belong to donor priorities, while only the richest Russians could pay considerable attention to leisure and other routine demands at that time, and usually satisfied those demands

not at the third sector's expense but with the help of commercial structures emergent in the market.

The 1990s were marked by the domination of vertical structural links in the sector—not so much due to the fairly large portion of hierarchically arranged organizations surviving from the Soviet time as to the routes of imported resources, ideas and behavioral norms. As a rule, such routes stretched from donors to major Russian-based or Russian-localized organizations established with their support or direct participation. These organizations were distributors and principal centers of the third sector culture, which was quite new at that time. So these organizations often looked outlandish. They channeled imports to organizations not so closely linked with donors – in particular, local resource centers. Resources traveled on from there, on many occasions. Due to all that, resources and ideas spread widely to influence the entire sector directly or not. Links that emerged round the import distribution routes were mainly vertical. Though they were surely not administrative, such links often acquired importance and stability.

The state did not play any important part in this model. *Well-wishing non-interference* in third sector affairs was about the only thing demanded of it. TSOs received only token state allocations. The law meant to open the door as wide as possible to organizations seeking self-determination as nonprofit. The supply of legal niches for nonprofit activities was made in a way that ruled out stringent and explicit demands of such work. TSOs had to pay for it by putting up with token privileges.

On the whole, we can say that foreign donors were principal subjects of third sector resources and institutions. More than that, their civilizing mission largely formed the demand for supplied institutions. However large it might be, donor influence was far from total. In fact, *two segments* of self-organization were taking shape – the stronger, imported, and the weaker, home-made. They were not closely connected with each other. The former was well funded and adhered to civilized patterns of conduct. It, however, oriented on priorities largely borrowed from the outside and was not self-sustainable. The latter was badly underfunded and had no sustainable institutions, and so was open to the temptations of commercializing and non-transparency.

As we see it, the model in which driving forces of third sector development were on the borderline between Russian and Western society – and so, in a sense, on the periphery of the former – had no alternative at that time. It provided progress of the sector at its initial period. This model exhausted itself in the early 2000s. Rapid economic growth increased public incomes, however uneven the process might be. The number of low-income people spectacularly shrank, and a majority of problems which donors' catastrophe prevention efforts concerned lost their edge. Russia acquired considerable domestic resources, while leading donors shifted

attention to other countries and regions. All this made many donor organizations gradually reduce the scale of their work in Russia.

More than that, many granters became at that time rather critical of the results of their efforts. Typical in this respect was a report ordered by the Ford Foundation to assess its own and similar programs promoting higher education in Russia (Kotkin, 2007). Researchers point out as unsuccessful the system of incentives made by Western foundations, which encouraged TSO activists' and leaders' desire for quick benefits from partnership with donors, rather than for making sustainable and well-established structures (Henderson, 2002). Failures are explained, in particular, by a discrepancy between overseas foundations' priorities and Russians' problems and values (Sundstrom, 2006). Success was the lot of rather rare instances when the supply of support corresponded to expectations of a large section of the public, rather than of a limited number of activists whose circle had taken shape largely through donors' efforts. Success is exemplified, in particular, by the Committees of Soldiers' Mothers, which deal with violence in the army – a problem taken by a great many Russians to heart (Sundstrom, 2005).

Overseas donors made plans to leave Russia and started implementing them as early as the beginning of the 2000s. Their efforts were stimulated by unfriendly attitudes of the Russian authorities to politically active overseas foundations in the middle of the decade, after the Orange Revolution in Ukraine. Be that as it may, many major donors reduced or utterly gave up work in Russia. Thus, the DFID and the Open Society Institute closed their offices in Russia, while the USAID office almost halved its budget in current prices within the decade⁴. As they quit, donors advised to Russian TSOs connected with them the closest to switch to domestic sources. However, the Russian state and private philanthropists were usually unwilling to go on with programs launched by foreign donors.

The import-dependent model was thus short-lived in Russia. But, despite all its drawbacks, we should not underestimate its positive role. Modern sector institutions were brought to the Russian soil within it, and personnel capable of maintaining such institutions was formed. At the same time, the model had no guarantees of resource sustainability and no considerable public support in Russia.

Let us now formulate the basic characteristics of the import-dependent model.

- Principal *driving forces* – foreign donors' activity. They formed the supply of a greater part of resources and of the most effective institutions. More than that, their policy of priority setting partly substituted for the domestic demand and indirectly determined the demand

⁴ If we consider the fall of the purchasing power of the dollar in the Russian market, the budget was cut by 4-5 times.

by sector activists connected with donors the closest. At the same time, there was both domestic demand and domestic supply of sector resources and institutions independent of donors. This demand and supply was, however, unbalanced. Success was achieved, as a rule, when the vectors of forces generated outside and within Russian society coincided.

- The *structure* of the sector was a sum of two segments rather unlike each other in terms of resource provision and institutional arrangement. The import-related segment was usually better organized and funded, more transparent, possessed the better qualified personnel, etc. Many TSOs were in between the two segments.

- The two segments also differed in their *organization culture*. TSOs closely connected with Western donors tried to reproduce their behavioral standards, relations, etc. with the utmost accuracy, while the other segment mostly reproduced the patterns of the Soviet bureaucratic practice or of nascent Russian business, which was not given to fair play at that time.

- *The state* was mainly indifferent to the third sector, and its organizations formed their strategies without giving much thought to state policy. But then, TSOs, as almost all in Russia, had to reckon, to varying extents, with corrupt bureaucrats' selfish interests. The officialdom, however, mostly knew better than pressuring organizations closely connected with overseas government agencies or major Western foundations. At the same time, certain organizations of the "home-made" segment took an active part in corruption.

5. The Rooted Model

The economic and social upheavals of the 2000s made it possible to *replace outer sources of demand and supply by inner ones*. To be sure, it drastically changed the nature of both and the results of their interaction. We can assess the scale of change, for instance, from the rise of the average monthly wage. According to the Russian Statistical Agency, it grew from 62 Euros in 1999 to 443 Euros in March 2008, and exceeded 720 Euros in Moscow (and earnings are higher than wages). A massive middle class is emerging, able to make a social basis for the third sector. The middle class accounts minimum for 22% (or 30 million people), according to the Independent Institute for Social Policy. At any rate, tens of millions of people live a life that has become, as never before, comparable to typical conditions of the middle class in economically developed countries.

A majority of the population is tired of politics and has shifted to private life. Respondents of a representative poll for civil society monitoring were, in particular, to choose the five constitutional rights that mattered most to them. A majority chose the right of employment (53%), free health care (52%) and education (44%), social welfare in old age

(42%), property ownership (37%) and life (35%). Bringing the rear were freedom of assembly, rally and demonstrations (1%), freedom of circulating information (2%), the right of taking part in ruling society and the state (3%), the right to elect representatives in ruling bodies (4%)., and the right of establishing leagues to represent and protect the rights of their members and others (3%).

Such is the public mood, even though respondents consider “outsider” rights protected less, on the whole, than rights regarded as top priorities. One question concerned rights the respondents actually enjoyed. 48% mentioned the right of employment, 18% of free health care, 12% of free education, 17% of social welfare in old age, 37% of property ownership and 50% the right of life. On the contrary, the share of positive replies concerning freedom of assembly, rally and demonstrations, the right of taking part in ruling society and the state, freedom of circulating information and the right of establishing leagues is below 10%, while only 15% of respondents consider the right to elect representatives in ruling bodies protected.

Extensive sectional interests are still inadequately reflected and articulated, and the self-organization potential clusters mainly round local improvements of the daily routine. Answering the question on what problems public and other nonprofit organizations should concentrate in their city/village, respondents most often mentioned drinking (23%), insufficient comfort of the settlement (21%), environmental problems (18%), drugs (17%), and scarcity or inaccessibility of cultural, entertainment and sports facilities (14%). A mere 4% mentioned authorities’ arbitrary action, corruption and inactivity, though whatever number of variants could be chosen in the answer. The reason lay not in indifference to those phenomena (on the contrary, the same opinion poll showed many concerned about them) but in the public assessment of the mission and potential of the third sector.

The same is evident from assessments of the comparative effectiveness of the various types of TSOs. The poll, which allowed the choice of whatever number of answers, showed that the public considered consumer rights protection societies (33%), organizations of war veterans (33%) and limited-abilities persons (32%), charitable organizations for refugees, the homeless and other persons in need (31%) and charity foundations donating money to cope with various problems (21%), as well as environment protection organizations (21%) to be of greatest use. Human rights organizations were likened to athletic, tourist, hunting and other such societies, and gardening cooperatives (18% each), and were slightly above cultural, local history and environmental organizations (16%).

Structural characteristics of the third sector correspond more or less to such preferences to the extent to which present-day statistics, with all their imperfections, reflect them. Social services (40%), education (26%), health care (6%), and the work of professional guilds and

unions, as well as property management, are the most widespread TSO activities. A majority of organizations are very small. According to an opinion poll of TSO leaders, 33% of registered organizations have no hired employees, another 35% have a personnel of 5 or less, and 23% employ 6-10. Volunteers are absent in 28% of TSOs, and another 25% have up to 10 volunteers. At the same time, 10% of TSOs, have more than 100 regularly working volunteers each, according to their leaders.

Be all that as it may, rather many Russian citizens not only demand third sector services but also *altruistically supply their resources*. The 2007 monitoring showed that 72.4% of respondents provided disinterested assistance to the needy in the preceding year. Each spent an average 16 hours a month on such work. 25.7% of respondents donated money at an average \$55 a month. However, according to 2006 statistics, 85% of philanthropists were working on their own though more than a half of them preferred collective action. This is one of the many manifestations of a considerable *lag of effective third sector institution supply* behind resource supply.

A majority mentioned lack of money (64%) and time (23%), and shortage of information about the needy and their relief organizations (11% each) among the reasons why they did not engage in charity. 44% had the least possible information about local consumer leagues, 49% about veteran organizations, 44% about limited-abilities persons' organizations, 33% charity services, 18% charity foundations, 28% environment protection organizations, 23% rights protection organizations, etc. We thus see formidable *information obstacles* to third sector development.

Lack of confidence in people and TSOs is the most profound obstacle to the increase of supply. We might compare the above figures concerning disinterested assistance with the distribution of respondents' opinions of whether people are inclined to helping each other. A mere 24% gave positive replies to this question. The 2007 opinion poll showed an overwhelming majority think that disunity dominated contemporary society. However, 57% of respondents said that accord and team spirit reigned in their own milieu, while 59% of respondents said they were willing to join hands with others, who shared their ideas and interests. So, as we see, the typical Russian combines his own positive experience with an assumption of others' negative experience—a self-contradictory opinion.

As the same poll showed, communities based on simple mutual understanding are more topical for a majority than associations based on social, ideational and political interests. The questionnaire included the question: "Whom would you like to unite with to solve shared problems and protect mutual interests? What likeness matters most to you in this instance?" (a respondent could choose up to 5 variants of answers out of the 22 offered). The respondents gave

preference to peers (27%), people of similar situation (26%) and character and habits (25%). 17% chose a similar cultural level, 15% shared neighborhood and hobbies, and 14% similar incomes and jobs. 13% chose the same settlement, and 12% the same trade or profession. 8% mentioned shared political orientations, 7% ethnicity and 5% religion. In other words, present-day people want to unite mainly for leisure and to cope with elementary routine problems.

The public attitude to social activity and TSOs is rather contradictory. 40% think that socially active people are generally disliked, while 36% are of contrasting opinion. At the same time, about a half of respondents said they would like, under particular conditions, to take part in TSO campaigns and social initiatives, while about a third said they were willing to volunteer for such organizations or make donations. Many doubt, however, that TSOs are true to their mission. This skepticism is one of the major obstacles to participation. According to the 2006 poll, 47% of respondents thought that some organizations engaged in commerce in TSO disguise.

On the whole, these facts allow conclude that now, unlike in the recent past, many Russians are *potentially ready to be involved in the third sector* not only as beneficiaries but also as donors and helpers. In other words, a soil has appeared for the sector to take firm root in. Prejudice has to be overcome for that, an information infrastructure of involvement to be established and, what matters most, sector institutions to be spectacularly improved. The latter largely depends on the stances of subjects – mainly the state and corporations – able to contribute more to the supply of resources and institutions than average members of the public.

Russian business has lately, for the most part, shifted from the primary accumulation phase to productive use of national assets via their redistribution. Corporations care about their reputation much more than they did, and sincere altruism is ever more manifest. The demand of business, especially big, for TSO activities is growing. The business world is supplying *third sector resources* and partly *institutions* on a large scale. Corporate charity is much greater than private in terms of money. According to published statistics, charity expenses make about 8% in Russian companies, against 1% in American (Polishchuk, 2006). However, a greater part of corporate donations go not to TSOs but to social projects of authorities, mainly regional and local (Ibid). This aid is largely motivated by the desire to improve relations with authorities, and occasionally by pressure from them.

At the same time, really independent and civilized large charity organizations are emerging in Russian business circles – suffice it to mention the Dynasty and Victoria foundations. Such organizations possess big money and trained personnel. This is possible as certain Russian TSOs offer much larger remuneration than foreign donors – something that would sound preposterous quite recently.

Business circles are also considerably superior to other population strata in establishing powerful organizations to express their members' interests – among them the Russian Union of Industrialists and Entrepreneurs, the Business Russia association, the OPORA organization of small and medium business, the Russian Banking Association and numerous sectorial and regional associations. Authorities maintain permanent dialogue with them and often take their initiatives into consideration even though the influence of business on the arrangement of political priorities drastically reduced in recent years.

As for the state policy toward the third sector, attempts are made both to rule it and promote activities of TSOs, unless they are close to the opposition. For instance, major tax abatement for TSOs and donors is being prepared while financial control is toughened, as we said in the beginning. To all appearances, on the whole, the current policy is characterized by the desire to turn the third sector into an ally in solving social problems and, at the same time, prevent its politicization. This desire was manifest in establishing the Public Chamber of the Russian Federation. Positioned as a collective representative of civil society, it, however, appeared on the state's initiative, and the President of Russia appointed its first members, who later elected others on TSO nominations. Prominent researchers, doctors, priests and TSO activists are typical members of the Chamber. They are not afraid to harshly criticize authorities for particular moves, though only few of them belong to opposition parties.

The state has begun allocating sizable budget sums to support the sector. Several TSOs have received presidential grants since 2006, when approximately 15 million Euros was allocated. Allocations reached 35 million Euros a year later, and another increase has been promised for 2008. About a third of such allocations went to projects of low-income and socially vulnerable people's relief, another third to promote youth initiative and healthy living, and close on a quarter to cultural and educational projects and studies of civil society. Slightly more than 10% went to human rights projects and public legal education.

Civil society monitoring shows that a majority of respondents demand greater state support of TSOs. 57% think that the state should provide beneficial conditions for, and make allocations to *all TSOs that are harmless to the community*, while 18.5% are sure that such conditions must be provided for *all TSOs without exception*. Indicatively, leaders of a majority of TSOs say they expect assistance mainly from local and regional authorities.

Respondents' opinions of the desirable and actual *character of TSO relations* with the state are of interest. A majority spoke for *equal partnership* of TSOs and the state while demanding of TSOs *protection of public interests*. Only 1% of respondents wanted TSOs to oppose authorities, 13% would like to see them mere assistants of the state, and 8% wanted TSOs to mind their own business and avoid contacts with authorities, whenever possible.

Regrettably, respondents say, the latter option is more frequent than the more desirable ones. Respondents were rather critical of the state policy toward the third sector, though about a half found it hard to make explicit judgments. The rest most frequently described authorities' position as follows: "They try to impose control", 17%, "They are indifferent", 13%, "They try to help and cooperate but don't know how to do it", 12%. 11% said authorities were "promoting development" and 9% described TSO-state relations as "cooperation of equal partners".

The environment in which TSOs work is formed by the attitudes and conduct of the population, business and the state. It remains rather complicated, on the whole. A mere 12% of TSOs, judging by an opinion poll among their leaders, afford to implement all their initiatives, while about 50% cannot implement them in full, though feeling sustainable enough. The rest have economic problems, and 17% of TSOs involved in the poll are on the verge of closing. Only 4% of organizations said they were receiving allocations from overseas or international donors. An incomparably larger number of TSOs receive grants from various state sources, while membership fees, service returns and Russian corporate donations are basic sources of income.

TSOs need not only money for successful work. Though their leaders say material hardships are the worst of their problems, many experts also point at their domestic problems – such as, for instance, the pressing problem of attracting the youth and succession of activist generations, which all too often cannot be settled to sufficient effect (Marchenkov, 2007). The problem of management is also acute. Judging by available information, a greater part of TSOs are not yet inclined to transparency and responsiveness toward their constituencies. Organization leaders are often authoritarian and uncontrollable, and boards of trustees play a nominal part (Report, 2007). This trend could not develop before, with strong dependence on foreign donors. Paradoxically, the end of dependence has reduced democracy in the activities of many organizations.

This information indirectly shows public attitudes to the substitution of imported third sector resources and institutions, which, as we see it, is a salient feature of the current change of model. An opinion poll demonstrates that 66% of respondents approve TSOs in whose funding Russian state and municipal agencies and organizations take part. 61% approve financing by Russian business, 41% by Russian religious communities, 58% by the United Nations and its agencies, 39% by overseas TSOs and 38% by overseas government agencies. At the same time, 44% of respondents think that foreign TSO activities in Russia should be limited to varying extents, while 24% are of contrasting opinion.

The change of model is *not over* yet: the import-dependent model is gone, while the new is only taking shape. The results of this process will depend on many factors, including economic progress, income distribution, cultural shifts and state policies. However, as far as we can judge

by current developments, a model is emerging that has firm root in contemporary Russian life with all its benefits and ills, path dependency and developmental potential. This model has the following features.

- Altruistic aspirations and public (especially middle class) and business self-organization, emerging from below, are basic *driving forces*. Apart from that, a considerable part is played by the policy of authorities, who are eager, on the one hand, to attract partners in solving social problems and, on the other hand, to prevent oppositionist political activity of TSOs.

- *The structure of the sector* is characterized by the predominance of small and economically weak TSOs, whose activity is dominated by settling social problems. Affluent and rather effective organizations are at the same time established by corporations and their proprietors.

- The *organizational culture* of TSOs is extremely versatile at present. In each instance, such culture largely depends on the origin and contacts of the organization. Some TSOs proceed from foreign models borrowed in the 1990s, others from bureaucratic patterns of the state machinery, still others from the experience of for-profit corporations, while some have a bizarre mixture of cultures. Rigorous leadership and weak influence of the ranks and constituencies is, perhaps, the most common feature of all. To all appearances, the dominant organizational culture of the new model is not yet determined, which eloquently indicates that the model is only in the making.

- Third sector relations with the state are not harmonious as yet, though both parties are, on the whole, getting more and more inclined toward partnership based on accepting each other the way they really are – a trend approved by the public majority.

6. Conclusions

For a first time since 1917, the Russian third sector is ceasing to be a planet whose orbit is determined by the gravity and repulsion of outer luminaries, be it the state or foreign donors. The major subjects of the sector have until now regarded it mainly as a *resource* of achieving *external* goals, rather *distant* in time. In Soviet years, it was communist construction for the state and its loyal subjects, and change of regime for dissidents and their sympathizers. In the 1990s, the most active subjects of the sector aspired, in the final analysis, to transform Russian society on Western patterns, and donor policies largely oriented on this goal. True, both eras also knew many instances of self-organization indifferent to such ambitious goals and aiming to settle routine problems. However, they did not determine the sector and its dominant trends until quite recently.

Now, the Russian third sector is ever more open to initiatives of the most diverse kinds, whose participants want self-fulfillment and altruistic work in the *existing situation*. To be sure, self-fulfillment implies efforts to change the situation to many of them. However, these are mostly changes that can be made within the limits offered by the present-day state and society. Unlike in the recent past, these limits are most often regarded today as the Russian climate, which has few admirers but in which we have to live. This is certainly a vulnerable position, yet it allows the third sector acquire all kinds of niches and become a sphere in which varied not-for-profit activities coexist.

If economic, social and cultural development is positive, Russia can eventually acquire a basis for mature and sustainable democracy. For that, we need far more than relevant political procedures and even authorities' goodwill to comply with them. Authorities' activity is certainly important – yet much more important is the character of subjects able to use these procedures for the promotion of their interests. Until recently, mainly competitors in the narrow circle of bureaucratic and business elites were able to play this part. They regarded democratic procedures as some of the many potential objects of privatization. It could not be otherwise as the diversity of ordinary citizens' interests and demands was not to be met by a similar diversity of self-organizing social structures rooted in broad population strata. So at least development of such structures is necessary. In this connection, the appearance of a large and self-reliant third sector inspires certain optimism, even though a majority of its organizations are presently remote from politics.

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