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## Between Autonomy and Compliance: The Organizational Development of Russian Civil Society

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### Introduction

Civil society in Russia has undergone substantial transformation in the post-Soviet period. It has closely followed the development of the political regime: in the 1990s, the rapid growth of the sector was due to the country's political opening and the influx of international funding; in the 2000s, the regime took an authoritarian path and increased its control over civil society. After the “For Fair Elections!” campaign of 2011–2012, the Kremlin turned to a more restrictive policy and imposed coercive legislation in a number of arenas of public life. Simultaneously, the state increased the amount of public funding available through grants and subsidies (cf. Fröhlich and Skokova, Chap. 3 in this volume). In this “dual reality” (Salamon et al., 2015), Russian civil society was forced to choose between retaining autonomy and complying with the regime in exchange for resources.

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Resources matter for organizational development. They are essential in delivering on organizational purposes, maintaining linkages with constituents, and planning further development. In this chapter, we argue that by regulating resource flows and access to them, the Russian state divided the population of civil society organizations into niches in order to induce compliance. The process started in 2006 with substantial changes in the law “On nonprofit organizations” and continued into the 2010s. In 2012, Law No. 121-FZ “On amendments to specific legal acts...”<sup>1</sup> introduced the category of “foreign agents”—civil society organizations with foreign funding used for “political purposes” (see Kravchenko et al., Chap. 1 in this volume for a detailed note). In 2015, legislation on “undesirable organizations” prohibited the operations of several international donors, further aggravating funding shortages in civil society organizations. These laws, alongside other measures to control resource flows, triggered a process of organizational adaptation across Russian civil society.

Through media analysis, official statistics, and interviews with representatives of 17 civil society organizations from ten Russian regions, we examine how the abovementioned legislative changes have shaped organizational development. We argue that for the most vulnerable parts of civil society, that is, those perceived as a threat to the regime and reliant on international funding—organizations working with human rights as well as environmental and electoral watchdog organizations—the choice was essentially one between liquidation and deinstitutionalization, which implied a dramatic decrease in the scale of operations. Nevertheless, civil society organizations with access to more substantial resources were also able to engage in institutional resistance. The legislative changes altered the organizational dynamics of other types of organizations as well, mainly with regard to compliance with state-induced organizational routines and agendas. In short, the organizational dynamics of a particular civil society organization were largely shaped by its position in the field, determined by the availability of resource flows and the rules of access to them. We begin by clarifying our theoretical approach and then proceed to draft a trajectory of Russia’s development as it pertains to the topic of the chapter. Subsequently, we analyze the organizational dynamics of selected civil society organizations and their responses to the legislative changes and, finally, offer our conclusions.

## Organizational Theory and Trajectories of Organizational Adaptation

In organizational theory, sources of change are considered attributable either to actors inside the collective establishment (rational theory of organizations) or to environmental factors (theories of open systems, resource dependence, and institutionalism). The latter group of theories draws attention to the fact that organizations are not autonomous units with boundaries impervious to the environment. In fact, every organization actively interacts with its context and adapts to its constraints (Aldrich, 2008; Pfeffer & Salancik, 2003). Most importantly for this study, “the environment affects organizations through the provision and (or) retention of resources”; consequently, organizational forms can be ranked “in terms of effectiveness of the procurement of resources” (Pfeffer & Salancik, 2003, p. 61). In short, resources affect key aspects of the organizations such as budget, number and quality of staff, scope and scale of operations, and material endowment.

Ecological organizational theories posit the existence of separate “niches” that are created around resource flows as relatively autonomous subfields (Hannan et al., 2003; Hannan & Freeman, 2013; Radaev, 2005; Valitova & Tambovtsev, 2005). These niches can be described analytically along two dimensions—the volume of available resources and the rules of access to those resources. The latter dimension is important because the resource flows are not readily accessible to the organizations; rather, access is regulated by means of legal and institutional frameworks established by the state. The first dimension can be simplified by dividing the niches into the resource-poor and the resource-rich. The resource-poor category encompasses subfields in which few institutional donors or alternative sources such as crowdfunding are available—for any reason. It might be, for example, that donors do not recognize the importance of a particular agenda or that the state restricts activity in the relevant area. Resource-rich niches feature an abundance and a diversity of resource flows available for civil society organizations. Figure 7.1 maps several examples of Russian civil society organizations onto this scheme.

The niche represented in the bottom right-hand corner of Fig. 7.1 (resource-poor and with unrestricted access) is typically populated by small-scale grassroots initiatives (e.g. local initiatives to protect urban commons and charitable initiatives). Small grants and state subsidies, crowdfunding, and volunteers are the primary resources available to such organizations. Managed by amateur activists, these initiatives have some proto-organizational features such as regular meetings and distinct decision-making processes, but they avoid obtaining legal status. Since grassroots initiatives are rarely formally incorporated, the state does not have significant leverage over their development (see Lukinmaa, Chap. 13 in this volume for a detailed analysis of LGBTQI+ activism as an example of this argument). Organizations from the opposite niche have a large volume of potential resources available (e.g. from international donors), but with access restricted, they constantly risk being cut off from the resource flows. The circumstances of civil society organizations under the “foreign agents” law illustrate this point: multiple Russian human rights, environmental, and advocacy groups that once had steady funding

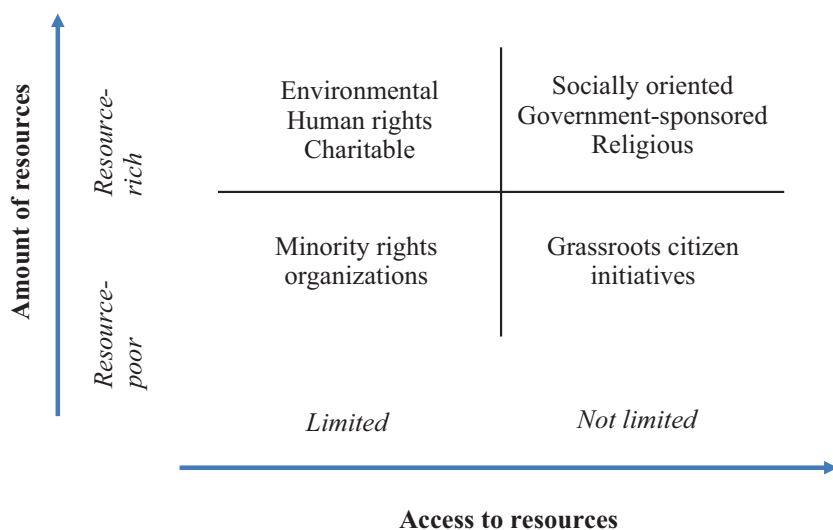


Fig. 7.1 Classification of organizations by volume of resources and rules of access

from international donors experienced shortages after the imposition of the law.

The upper right-hand corner of Fig. 7.1 represents a situation in which restrictions are few and resources are plentiful. State-sponsored and socially oriented civil society organizations populate this niche and have no incentive to change as long as they have access to funds. In the resource-poor niche with restricted access, organizations working with or on behalf of minority rights groups have the most difficult experience: they initially had much smaller resource endowments and have struggled with the “foreign agents” law. As a result, deinstitutionalization in the form of a reduction in the scope of activity and outright termination are the most likely outcomes for such organizations. In short, we expect civil society organizations’ reactions to the legislative changes to be conditioned by the niches they occupy. However, we do not claim that specific sets of strategies are niche-specific. The civil society organizations are not isolated from each other; therefore, throughout our analysis, we also explore the diffusion of norms and practices as well as informational exchange as mechanisms that contribute to the crafting of adaptation strategies.

## Political Changes in Russia and Organizational Development in Civil Society

In the three decades following the collapse of the Soviet Union, civil society organizations’ resource flows and access to resources changed significantly. During the 1990s, thanks to permissive legislation and international funding, civil society in Russia exploded with newly formed organizations. The unique situation of the 1990s produced an organizational field that was dominated by professional, foreign-funded civil society organizations with limited societal and spatial outreach (Evans et al., 2006). The *laissez-faire* approach, however, came to an end after the string of “color revolutions” in the post-Soviet countries. The Kremlin’s growing concern that civil society was aligning with the opposition led to the first wave of restrictions in the sector in 2005–2006, including the introduction of the

bill that enforced more stringent reporting standards for non-governmental organizations in November 2005. As a representative of “United Russia”—a political party that has dominated the political process since 2003—stated, its goal was to “accurately register the possibility of foreign state influence on these [civil society] organizations” (Yandex.ru, 2006).

The determination of the proponents of tighter regulation of civil society was fueled by the “spy stone scandal,” framed as attempted foreign interference into internal affairs (RBK, 2012). The scandal resonated with public opinion: according to a survey by ROMIR, 67% of Russians supported the law. The respondents reasoned that “patrons [of civil society organizations] often pursue their own political goals; tax compliance is not always evident” (Lenta.ru, 2006). In the state-controlled media, a campaign was launched linking the presence of foreign intelligence services and the activities of civil society organizations, which received foreign funding and purportedly sought to change traditional Russian values (Yablokov, 2020). Consequently, the political elites and the citizenry agreed that civil society was dangerous for the political regime and should thus be controlled. Member of Parliament Andrei Makarov (United Russia) was particularly outspoken on this issue, stating during the third reading of the bill that “the activity of nonprofit and social organizations [...], of course, will always be connected with politics” (Yandex.ru, 2006).

The major consequence of the 2006 bill was a dramatic increase in the organizational burden for civil society organizations. The stringent reporting rules—and the threat of fines—entailed the redistribution of their limited financial resources to legal and accounting professionals. In addition, registering and adopting organizational charter changes became more cumbersome. Finally, the state inspections by the Federal Registration Service became more frequent and could be initiated at will rather than on schedule, which placed the civil society organizations under additional duress as the inspectors were usually unfamiliar with the field. The inspections also bred corruption and red taping (Socpolitika.ru., 2007).

A direct consequence of the 2006 law for civil society was the reduction of funding from foreign donors. Some large institutional donors, such as the Ford Foundation, the United States Agency for International

Development (USAID), the Matra Program of the Embassy of the Kingdom of the Netherlands, and the Mott Foundation, halted their operations in the country completely. Others, including the MacArthur Foundation, significantly reduced their scope. The withdrawal of major donors decimated the sector: according to the Russian Civic Chamber, the number of civil society organizations registered by the Ministry of Justice plummeted from 400,000 in 2012 to 219,000 in 2018. Although a large number of the liquidated organizations were only “organizations on paper,” it is difficult to estimate their share.<sup>2</sup> Many organizations continued their activities as informal associations (Vandysheva, 2014). In short, resource depletion and the restrictive legislation described above, which Robertson (2009) called the “licensing” strategy, forced Russian civil society organizations to adapt to new environmental constraints.

The new regulations “tightening the screws” on civil society organizations came after the 2011–2012 campaign “For Fair Elections!,” which challenged the results of the parliamentary elections and Putin’s return to the presidency. The regime’s reaction to the mobilization was manifold: it cracked down on the movement, prosecuted participants, and twisted the “liberalization” package proposed by Medvedev in December 2011, which had promised a return to direct regional gubernatorial elections and a substantial easing of restrictions on the formation of political parties. More importantly for civil society organizations, the abovementioned Law No. 121-FZ “On amendments to specific legal acts...” was rapidly enforced. The law stipulated that any organization receiving funding from abroad and “conduct[ing] political activity” would be considered to be “performing the functions of a foreign agent.” The lack of a clear definition of the term “political activity” enabled the authorities to arbitrarily apply it to almost any action: seminars, roundtable discussions, the appearance of expert opinions and interviews in the media, and even providing the government with required information could fall into this category.<sup>3</sup> The ensuing struggle to more narrowly define the phrase, which included amendments proposed by the Committee of Civil Initiatives, the NGO Lawyers’ Club, and regional ombudsmen, eventually failed. In 2016, new amendments to the law “On nonprofit organizations” consolidated the existing judicial practice of broadly interpreting the concept (Gordeeva, 2016).

The law on “foreign agents” considerably increased bureaucratic burdens for civil society organizations on the list as well as those under threat of being added to it: such civil society organizations are required to submit detailed reports on their activities to the Ministry of Justice twice annually. They face mandatory financial audits (this requirement had previously applied only to foundations) and occasional random checks by the Ministry of Justice. In addition, these organizations must label all of their products with a statement that the organization is listed as a “foreign agent.” In 2016, after almost three years of existence, the list contained 96 organizations; 17 had previously been removed from the list, and 25 had been liquidated.<sup>4</sup> At the moment of preparing this chapter, there were 70 organizations on the list. As Table 7.1 shows, the largest proportion of listed organizations focus on the promotion of human rights (32%), which indicates that the regime is more likely to interpret the work of organizations in this area as “political.” However, the ministry also placed other types of civil society organizations, such as charity foundations and resource centers, on the list.

Parallel to the tightening of the regulations, serious changes in resource flow took place. In 2015, the State Duma adopted a law on so-called “undesirable organizations,” forbidding international organizations seen as a threat to national security to fund domestic civil society organizations. Specifically, the General Prosecutor’s office, in coordination with the Ministry for Foreign Affairs, can deem any commercial or nonprofit organization “undesirable,” even in the absence of a court ruling. The first organizations to appear on the list were the U.S.-based National

**Table 7.1** Share of NGOs listed as “foreign agents” by the Russian Ministry of Justice (30 March 2020), % of total

Human rights	31.9
Environmental	2.9
Analytics	7.2
Resource centers	14.5
Mass media	10.1
Charitable	11.6
Democracy/elections	2.9
Other	18.8

Source: Ministry of Justice website, <http://unro.minjust.ru/NKOForeignAgent.aspx>. Authors’ calculations.



Endowment for Democracy, Soros' Open Society Foundation, and the International Republican Institute. These organizations formerly sponsored human rights networks, research, and educational organizations. The combination of the law on "foreign agents" and the law on "undesirable organizations" therefore cut off or severely restricted access to previously available resource flows.

In sum, the legislative changes that took place between 2006 and 2015 restricted access to resource flows previously available to civil society organizations, effectively reducing funding from independent sources, and tightened the rules of access to remaining resources. They also substantially increased transaction costs for organizational activities. These environmental shifts divided civil society into those with preferential access to public funding (organizations that populated the resource-rich niche without restrictions on access) and those with limited access. Existing civil society organizations and groups aspiring to formal status were also forced to adjust their organizational development strategies.

## **Organizational Trajectories Before the Law on "Foreign Agents"**

The changes in legislation after 2012 amplified already existing divisions in the third sector. To assess the impact of the legislative changes on the organizational dynamics in the field, we conducted 19 interviews with representatives of 17 civil society organizations and informal initiatives in the winter and spring of 2015. We selected the organizations to reflect a diversity of parameters that might further elucidate the links between environmental conditions and organizational responses. Hence, we surveyed organizations in Irkutsk, Izhevsk, Kaliningrad, Kirov, Krasnodar, Moscow, Perm, Petrozavodsk, St. Petersburg, and Tyumen. The organizations also differed in terms of length of time in operation, sector, and degree of institutionalization.<sup>5</sup> The sample included three charitable organizations, three human rights organizations, one environmental organization, four social and minority rights organizations, four think tanks or resource centers, two local community foundations, and one

civic initiative. At the time of data collection, nine of the organizations were classified as “foreign agents,” two had been removed from the list, and three organizations had ceased to exist. Interviews were conducted with heads (or, in two cases, with deputy heads) of organizations. We asked the informants about the origins and current state of their organizations, the impact of the legislative changes, and their strategies for coping with their current challenges.

Changes in resource flows and the rules of access formed the starting point of our analysis. At the time of the interviews, the organizations were at different stages of development, and their representatives openly stressed the contradiction between the need for professionalization on one hand and the environmental constraints (resources and the “costs of doing business”) on the other. This reasoning was especially pronounced among the respondents from younger organizations. The majority of the informants talked about a “natural” organizational path from informal volunteer communities or “grassroots” initiatives to professional, often expert, civil society organizations. They noted that, initially, their organizations had existed as informal communities of mutual assistance and situational joint actions, but had gradually become professional as manifested in the recruitment of full-time specialists (lawyers, accountants, psychologists, and other professionals, depending on the type of civil society organizations). The acquisition of office space and a permanent secretariat for consultations and reception, alongside an external “certification” by public authorities, were further indicators of professionalization. An informant working for the organization supporting families with children with disabilities noted that it began with a “community of activist parents”; then, a legal entity was formed and a full-time lawyer was hired. Later, they began to “participate in or organize platforms with representatives of parents and authorities” (Respondent G).

The idea of a “natural pathway” from an initiative to a professional organization was widely shared among our informants, regardless of their organizational niches. A representative of a public educational organization in operation since 1999 described the trajectory as follows:

Initially, the organization was created as an interest club: childhood friends created it, graduated from different universities in different cities, came

back to their [home town], gathered to interact, spend leisure time together. After one or two years, the organization became socially oriented, professionally engaged in advocacy. (Respondent D)

For others, professionalization was an aim from inception. A representative of a local community foundation in existence since 1999 and with significant experience in international projects contended that, from the very start, “we immediately placed a stake on the professional approach” (Respondent B). Informants viewed professionalization as entailing division of labor, work with multiple sources of funding, and engagement with project activities on a permanent basis. Failure to develop such practices was considered an impediment to organizational development. For example, the head of a small resource center operating since 2002 stated that, in connection with a lack of resources and, to some extent, the reluctance to expand, “in many ways [employees] have to be universal: this does not allow for the development of specialization, professionalism” (Respondent R).

Professionalization was a challenge for the organizations in resource-poor niches. A representative of a grassroots initiative noted that after the first successful projects of the group, the members of the community faced the question of the organization’s future:

Arguments arose repeatedly about whether it was worth it to register the organization. But the organization imposes obligations on us that are too heavy for such an association, and the benefits that we will receive are not obvious. (Respondent K)

The group decided not to form a legal entity, which meant that it had no organizational, administrative, or financial dependence on the government; in exchange for considerable independence, however, it ran a high risk of instability and inconsistent resource flows for its activities. As a result, the initiative dissolved two years later (2012–2014).

Organizations from the low-resource niche with limited access (three of the organizations in our sample) combined elements of professional organizations from the resource-rich niche with the characteristics of informal initiatives. They needed legal status in order to obtain stable

funding. One example is that of an organization for the protection of minority rights that was created in 2009. Its peculiarity was that it was a branch of an all-Russian organization that decided to decentralize in response to increasing political risks. The manager of this organization noted the importance of resources for improving the quality of work: the funding influx made it possible to employ staff specialists. However, the allocation of the funds only once a year created uncertainty. Volunteers provided a great deal of help with events, but the money supply remained short (Respondent B2).

Informants almost universally shared the view that funding constitutes a key condition for organizational development. This can be a problem even for civil society organizations in the resource-rich niche; a representative of an environmental organization dating back to the 1990s noted:

It was a time when one hundred people in the staff worked on projects, and that was at the end of the 1990s [...] gradually the activities shrank, in part due to a lack of funding. (Respondent V)

Over the five years prior to the interview, the organization had experienced serious financial problems; the “foreign agents” law and inspections sealed its fate, and the organization ceased to exist. Similarly, another civil society organization for environmental protection was unable to continue its activities, and its manager noted that the problems arose even before it was classified as a “foreign agent”:

The organization most likely came to this [desperate state of affairs] on its own: there was no generational replacement of staff, there was some stagnation, a certain sign [that it had exhausted its resources]. It needed to close and open anew. (Respondent C)

The theme of resources and the narrowing or expanding of access to them represented one of the central points of all of the interviews, even in cases in which the respondents were not specifically asked to talk about it.

The respondents also confirmed the increasing share of state funding in the past few years. For some, this had created additional opportunities

(presidential grants allowed one of the young, low-resource initiatives to establish a web presence and release printed products, and another organization obtained a vehicle for volunteers), while others saw danger in the expansion of the government's presence. A resource center representative gave the following assessment of this process:

There is a large flow of government money—presidential grants, grants and subsidies from the Ministry of Economic Development, partner projects with other regions, interregional. I see a certain danger in this, this needle, dependence on government financing. Habituating oneself to certain sources of financing, you wean yourself off of others and stop focusing on them. The government, step by step, has new requirements, new laws, focuses, and priorities. (Respondent T)

At the same time, the strengthening of government regulation was one of the factors that pushed civil society organizations to professionalization, given that the handling of governmental money required the employment of lawyers and accountants. Moreover, many informants indicated that the government better understood how to interact with formal, bureaucratic structures than with informal activist communities. Similar effects were observed with the presence of international donors, but state influence on organizational trajectories was clearly greater. On one hand, the strengthening of regulations and the changes in resource flows led to the diversion of a bulk of activities to reporting and related activities; on the other hand, some respondents noted the push for regional authorities to work more closely with civil society.

## The Impact of the “Foreign Agents” Law on Organizational Development

How did the imposition of the “foreign agents” law affect the development of civil society organizations across all niches? For one thing, the organizations directly targeted by the law faced dire consequences. In February 2016, the Supreme Court of Tatarstan, following the initiative of the Ministry of Justice of the Russian Federation, liquidated the

Association of Human Rights Advocates Agora. After receiving notification of the forthcoming 2015–2016 inspections, Agora had submitted an application to the Ministry of Justice to add it to the “foreign agent” list, thereby trying to avoid a significant monetary fine for purportedly breaking the law. This step would not necessarily prevent the Ministry of Justice from charging a fine, since the latter could invoke the violation for the period before the organization joined the register. Alongside Agora, about a dozen organizations attempted to be added to the list in order to avoid fines. In addition, some civil society organizations received offers from supervisory agencies to voluntarily join the list in order to avoid fines and litigation from the Ministry of Justice (Klub iuristov tret’ego sektora, 2016). In other words, from its inception, the law had a political and an administrative logic: the former aimed at quelling the dissenters and the latter at delivering numbers to the federal ministry.

Curiously, the original version of the law was directly related to the activities of religious organizations, which included all of the parishes of the Russian Orthodox Church and Muslim communities. After the intervention of religious representatives, religious organizations were exempted from the “foreign agents” law. However, a special law was later adopted that allowed the state, represented by the Ministry of Justice, to control the financial flows and activities of religious organizations. Experts noted that this was done not to control the Russian Orthodox Church but rather, in the interest of the Russian Orthodox Church, to fragment this nonprofit field and control the Protestant and Catholic communities (Rustamova & Bocharova, 2015).

In addition to imposing fines, the law on “foreign agents” included measures such as eviction from office spaces, seizure of assets, prosecution, planned and unscheduled inspections, liquidation of organizations, accusations of undermining the constitutional order, and rejections of requests to be excluded from the list. A number of these measures have been analyzed in academic works (Flikke, 2016; Vandysheva, 2014). Based on our interviews and analysis of secondary data, we can identify three key categories of regime pressure on civil society organizations under the law on “foreign agents.”

The first type of pressure involves fines and other measures of financial pressure. As previously noted, the “foreign agents” law invokes significant

monetary fines for the violation of a provision of this law. Through the court, the Ministry of Justice can impose a fine on a legal entity (civil society organization) as well as on an individual (the manager of the organization). Our respondents noted that this type of pressure represents a substantial financial burden: the typical fine of 300,000–500,000 rubles is sizeable for the budget of any Russian civil society organization, corresponding in extreme cases to one-third or even half of annual spending. The risk of receiving a penalty places the problem of financial policy optimization before a civil society organization, especially taking into account that, as a rule, its budget is a set of grants or subsidies. All expenses related to these are included in a particular budget that requires a report to the donor. In other words, civil society organizations do not have money available for paying fines. Exceptions are those organizations that, in addition to engaging in grant activities, provide commercial services.

The second type of pressure encompasses various inspections by the Ministry of Justice, prosecutors, and other agencies. The majority of respondents referred to planned or unscheduled inspections from supervisory bodies as one of the most difficult measures with which they were forced to cope. The organizations' managers stressed that they were obliged to spend considerable human and time resources on preparations for the inspections and subsequent corrective actions (*ustranenie nedostatkov*). These measures "often distract the workers from the basic activities of the organization, making them focus on cases related to verification" (Respondent R). In addition, a large number of organizations noted that they had been added to the register as a result of an "unexpected" inspection; a respondent from one organization said that it was included in the register in connection with the need "to execute the plan for foreign agents in the region" (Respondent B).

Stigmatization and public information pressure constitute the third type of pressure exerted under the law. Representatives of several civil society organizations in Perm that were threatened with inclusion in the register wrote that "for our organizations to be called foreign agents is an offensive lie" (7x7 Journal, 2013). The foundation Public Verdict published a statement after inclusion in the register in which it indicated:

The imposition of a foreign agent label on us is designed to ensure that we will not have the support of our fellow citizens and will not be able to continue to protect their right not to be subjected to arbitrary action by law enforcement agencies. (Obschestvennyi control, 2014)

Others, like the Levada Center, an independent pollster, also issued a statement of disagreement and attached it to every publication. The reputational impact of labeling the organizations as “foreign agents” reverberated across the niches. Our respondents noted increased distrust within the sector as well as in relations with public officials. Even organizations left untouched by the law confessed: “Then came the ‘foreign agents;’ we were told that once we received foreign funding, they [the bureaucrats] began to fear [dealing with] us, to treat us with caution” (Respondent B).

In exceptional cases, accumulated symbolic capital was able to compensate for reputational loss. For example, a representative of an organization included in the list noted in an interview:

Everyone understood, made peace, we are still invited to some kinds of round-table events [...]. Not everyone, of course, but those with whom we worked earlier understand the absurdness of this situation. (Respondent D)

The inductive typology of the organizational responses (Fig. 7.2) is based on the interviews conducted and the analysis of secondary sources. These responses have been mapped onto the initial schematic for organizational niches (Fig. 7.1). We explore each strategy below.

The *under-the-radar* strategy is manifested in organizations that do not fall under the category of “foreign agent” (due to a lack of foreign funding at the moment of interview and at the time of inspections) as well as by the representatives of informal initiative groups. In the interviews, respondents from these organizations noted that their positions were rather unstable and that their status could easily change at any time upon receipt of foreign funding. They also mentioned that their positions were dependent on the goodwill of regional powers (Respondents G2, T, M). On an organizational level, they could not withstand change and had to forfeit further steps toward professionalization.



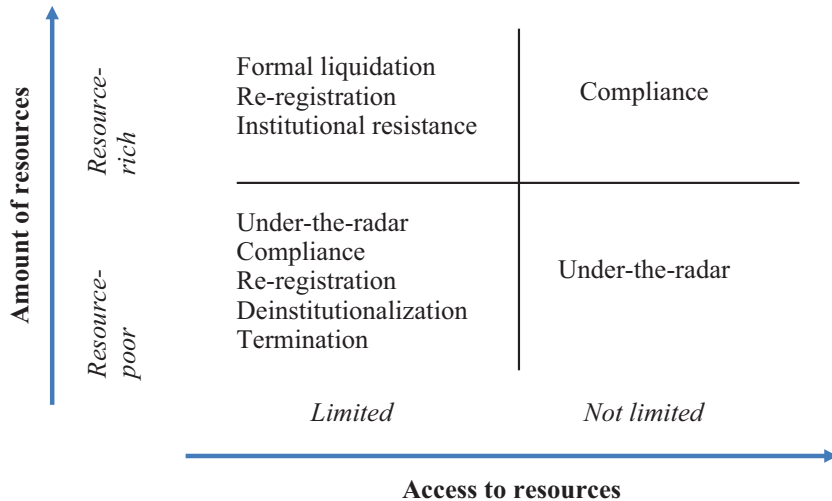


Fig. 7.2 Organizational responses

*Termination* refers to a complete cessation of all activities, entailing the dissolution of staff and volunteers, the redistribution of property, etc. It was noted in one of the interviews that not only the status of “foreign agent,” but also other reasons contributed to the decision to liquidate. These included the inability to attract financing with which to pay salaries and maintain an office as well as administrative obstacles put in place by regional authorities. Such a response is typical for civil society organizations from the low-resource niche with limited access because the “foreign agent” law prevents them from obtaining remaining resources, therefore inhibiting their organizational development.

*Compliance* as a strategic response is exhibited when civil society organizations maintain close relationships with regional authorities and receive significant state financing. As one respondent from a socially-oriented civil society organization put it:

We comply with the “foreign agents” law, we publish it everywhere, even publish on some leaflets in small print that the organization is included on this list. We will emerge slowly and carefully. (Respondent D)

Organizations react in this way in order to try to retain the support of the state and be removed from the “foreign agent” list as soon as possible. In interviews with the managers of such civil society organizations, it was evident that after inclusion in the register, the routine activity of the organization was substantially disrupted; since they did not consider themselves in opposition to the regime, the best strategy for these organizations was to forgo foreign funding entirely. For organizations in the opposite niche (resource-poor with restricted access), compliance is a last-resort attempt to preserve the organization. The other option for the latter type, short of re-registration or complete termination, is deinstitutionalization (reduction in the scale of operations).

In the resource-rich niche with restricted options, the general strategy consists of circumventing the burdens created by the law. *Formal liquidation* allows organizations to remain active as an informal group of activists. An example is “reverse professionalization”: dispensing with the indicators of a professional civil society organization (staff, office, management entities) while continuing to engage in organizational activities, even with informal status. This entails personally taking on the risk associated with the lack of institutional financing and collaboration with the government as a legal entity. Another option is *re-registration*. Electoral watchdog Golos and the abovementioned Agora represent this type of response, which allows an organization to retain its financial, reputational, and organizational support, maintain activity, and continue its work.

*Institutional resistance* refers to developing protective mechanisms (specific trainings, precautionary measures, organizational restructuring) and attempting to defend an organization’s position in court. One respondent, whose organization was eventually removed from the list, admitted that the institutional resistance strategy is very costly as it diverts resources from other activities. Others established holdings or subsidiaries of their organizations with the intention of diverting the “foreign agent” label from the parent organization. Commercial organizations were also created, as the law concerns only the non-commercial sector.

In sum, the law on “foreign agents,” despite its presumably selective character, affected the entire field. Organizations directly targeted by the law faced restrictions in access to resource flows, and those operating under resource-poor and resource-rich conditions responded differently.

The former could only choose between termination and deinstitutionalization. The latter had more opportunities to resist and adapt to the environment. However, civil society organizations from the two niches with unrestricted access also needed to adjust. The organizations with resource-poor conditions had to reconsider their prospects for organizational development, while those with more resources were obliged to reaffirm their compliance and loyalty in order to maintain their access to resource flows. In other words, in combination with other regulations affecting civil society, the “foreign agents” law appears to have had a profound impact on the organizational development of civil society in Russia.

## Conclusion

This study demonstrates different trajectories taken by civil society organizations in response to the changing political environment in post-Soviet Russia. Guided by organizational theory and resource dependence theory, this research offers evidence for the argument that the government’s actions, providing differential access to resource flows and imposing restrictive regulations, have created specific organizational niches that shape the further organizational trajectories of civil society organizations. The processes of substitution of independent sources of financing with state grants and subsidies, as well as the limiting of access to resources for some groups, created “winners” and “losers.” This conclusion is in keeping with the growing literature on authoritarian governance of civil society, which demonstrates that autocracies are interested less in suppressing civil initiatives than in controlling them, including for the purpose of a regime’s own legitimation (Lorch & Bunk, 2016; Richter & Hatch, 2013). Access to resources under these conditions is among the principal factors in organizations’ survival, and an authoritarian state’s manipulation of the rules of access represents a means of both controlling civil society organizations and fragmenting the community (Dupuy et al., 2015; Hsu, 2010; Yu, 2016).

The evidence in this chapter advances the argument that Russian civil society organizations understand the tradeoff between loyalty and autonomy. Organizations that prioritize the latter employ the

“under-the-radar” model to the detriment of their access to institutional resources (including governmental or foreign funding). They also minimize contact with the state, thus effectively limiting the scope of their operations as well as their prospects for institutionalization. Organizations whose activity requires a larger scale of operations are forced to comply with the requirements of the state or to wage an intensifying struggle to change the rules of access to resources. In short, the “foreign agents” law has profoundly changed the atmosphere in civil society and further aggravated the division into “compliant” and “independent” segments. Moreover, the *de facto* ban on foreign financing has rendered the authoritarian Russian state a major sponsor of civic organizations.

Does this mean that Russian civil society will be completely absorbed by the state, that is, that “puppet” organizations (Crotty et al., 2014) will unconditionally dominate the field? It seems to us that an affirmative answer to this question is premature: in organizational terms, Russian civil society has developed a significant potential for resilience and, despite environmental pressure, is able to adapt to change. Variations in adaptability in specific types of civil society organizations, as well as the role of contextual factors, are emerging as important areas for future research.

## Notes

1. Federal Law No. 121-FZ “On amendments to specific legal acts of the Russian Federation with regard to regulation of activities of nonprofit organizations performing functions of ‘foreign agents,’” 20 June 2012.
2. A study of changes in the civil society of Ethiopia after the adoption of a similar law shows that the depopulation of the “NGO on paper” was the most visible (Dupuy et al., 2015).
3. See further, for example, the history of court opposition of the Perm Civil Chamber and the Procurator of the Perm region (Tikhonovich, 2013).
4. It is difficult to track exact statistics from the Ministry of Justice as the Ministry frequently changes its procedures: for example, in December 2016, information on excluded and liquidated organizations was deleted from the list.
5. In order to guarantee the anonymity of respondents, the names and locations of the organizations are not shown.

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