

# INNOVATION DEVELOPMENT

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## Development of Social Innovations in Russia in Terms of Activities and Interaction of Government Bodies, Business Structures, and Civil Society\*



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**Abstract.** Due to the growing global socio-economic and environmental challenges (population ageing, climate change, society polarization, etc.), there is a reevaluation of a position and role of innovations in overcoming threats to social development in the modern world. Researchers note a shift in the innovation paradigm toward social innovation, since it is assumed that it is not possible to achieve a drastic improvement of the situation solely through technological innovations. At the same time, many existing problems cannot be solved with efforts of a single actor – intersectoral cooperation becomes a necessity. This aspect is of key importance for development of social innovation. The purpose of the study was to analyze development of social innovations in the Russian Federation based on an actor approach, which involves an overview of this phenomenon through the prism of activities of various entities and their interaction. General scientific methods were used in the study: discourse analysis, generalization, comparison, etc. Essential foundations and the role of social innovations in solving current society’s problems are presented. Using the example of government structures, big business, and civil society, the authors explore the features of social innovation development in Russia. It is shown that development of social innovations depends on their interpretation in public discourse, involvement in strategies of various actors, and intersectoral cooperation in the innovation process. In conclusion, the prospects for development of studied phenomenon are determined within identified trends and the specifics of interconnections between designated actors. The results obtained may be used not only as an empirical basis for further research, but they may also represent practical significance in development of specific management decisions in this area.

**Key words:** social innovations, intersectoral interaction, civil society, social entrepreneurship, social policy.

### Introduction

Growing global challenges of our time lead to a necessity to find new, more efficient tools to overcome them. In this regard, the concept of social innovation took a firm position among priority areas for development of the social economy of European countries: in particular, it is a core element of the “Europe 2020”<sup>1</sup> strategy aimed at ensuring reasonable, sustainable, and inclusive growth. Scientific community also actively started to study this phenomenon. Over the past decades, a significant number of research projects have been implemented to develop the theory and practice of social innovation (BENISI, CRESSI, SI-DRIVE,

SIMPACT, TEPSIE, TRANSITION<sup>2</sup>, etc.; for more information, see [1]). The view on social innovations as a driving force of social changes, which contribute to improving population’s quality of life, has taken root in public discourse. The discussion about possibilities of involving various actors in the innovation process to overcome acute social challenges became widespread. In the course of this discussion, different options of cross-sectoral collaboration are considered: from pairwise linear models to large-scale network structures. At the same time, special attention is paid to the formation of a favorable environment for development of social innovations, which

<sup>1</sup> *Europe 2020: A European Strategy for Smart, Sustainable and Inclusive Growth*. European Commission. Available at: <http://ec.europa.eu/eu2020/pdf/COMPLET%20EN%20BARROSO%20%202007%20-%20Europe%202020%20-%20EN%20version.pdf>

<sup>2</sup> In 2012–2016, the European Commission supported 30 projects that mentioned social innovation in its abstracts with a total amount of more than 90 million euros.

creates incentives for mutually beneficial cooperation similar to natural ecosystems [2, p. 11]. As a result of these processes, an extensive support infrastructure has been formed.

The innovative nature of proposed solutions often allows social projects to be successful in cases when the government and the market cannot demonstrate their efficiency<sup>3</sup>. There is a growing trend in activities of governments in developed countries to delegate part of their social obligations to external performers through social outsourcing mechanisms, public-private partnerships, etc. As a result, existing interconnections between the government and society deform within ensuring social guarantees. Increasing importance of social innovations and expectations, associated with them, lead to fundamental questions about an ability of various actors to counter modern challenges, need and opportunities for intersectoral interaction to overcome them, and the division of responsibilities between a team and an individual in this context [3].

Many researchers tend to believe that the concept of social innovation fits perfectly into the modern policy of a welfare state [4], revealing the potential of civil society to support vulnerable segments of population. At the same time, the most successful practices may be institutionalized by turning into formal rules and regulations. There are also opposite points of view – when development of social innovations is associated with the transition from the principles of a welfare state to individual and group responsibility for the future of society [5]. In this case, budget expenditures on social policy are optimized by shifting part of obligations to citizens.

<sup>3</sup> *Fostering Innovation to Address Social Challenges. Workshop proceedings.* OECD. Available at: <https://www.oecd.org/sti/inno/47861327.pdf>

These questions actualize the importance of accumulating empirical knowledge about development of social innovations to determine the prospects for the evolution of this phenomenon in the context of overcoming current threats and challenges. At the same time, development of social innovations largely depends on relevant national/regional context. For example, in Germany, in official strategic documents (in particular, the national High-Tech Strategy<sup>4</sup>), the innovation concept is presented in an expanded form and includes not only technological but also social innovations. In this case, the promotion of social innovations is embedded in the general innovation policy, the definition of this term is proposed, and a desire to support their development at the federal level is indicated. In contrast, no systematic vision of the studied phenomenon at the state level, which is reflected in a clear political orientation to development of technological innovations, and social innovations are only casually mentioned in several documents. Nevertheless, this type of practice is common.

The purpose of this article is the analysis of development of social innovations through activities and interaction of various actors using Russia as a model. According to Article 7 of the Constitution, the Russian Federation is a welfare state, which implies that the policy is aimed “at creating conditions that ensure a decent life and free development of a person”<sup>5</sup>. At the same time, experts note the absence of a “stable vector of movement toward a welfare state” [6, p. 24] and the dual orientation

<sup>4</sup> *Research and Innovation that Benefit the People. The High-Tech Strategy 2025.* Federal Ministry of Education and Research. Available at: [https://www.bmbf.de/upload\\_filestore/pub/Research\\_and\\_innovation\\_that\\_benefit\\_the\\_people.pdf](https://www.bmbf.de/upload_filestore/pub/Research_and_innovation_that_benefit_the_people.pdf)

<sup>5</sup> Constitution of the Russian Federation, adopted at the national vote on December 12, 1993. *ConsultantPlus.* Available at: <http://www.consultant.ru/> (accessed: October 1, 2020).

of Russian social policy (on the one hand – neoliberalism, on the other – interventionism and paternalism) [7, p. 2]. There are still many acute social problems in the country [8] (issues of poverty reduction, quality and accessibility of education and healthcare, employment of socially vulnerable categories of citizens, etc.). At the same time, a welfare state should encourage public and private and non-profit sectors to participate in solving various social problems [9], since budget opportunities are significantly limited. Taking into account the potential of social innovations in eliminating/leveling identified problems and relatively recent focus of management and academic community on this topic in Russia, the study of intersectoral interaction within the support of social innovations in such conditions seems to be a very significant area of research and practice.

#### **Essential foundations of social innovation**

Active development of theory and practice of social innovation has been going on over the last thirty years, but its evolution has a longer history. Social innovations, designed to improve people's lives, were undertaken in different eras. However, the emergence of this term dates back to the beginning of the 18<sup>th</sup> century [1, p. 14]. Since then, social innovations have been overviewed from different angles, depending on existing political, social and economic context or scientific direction. For example, in the first half of the 20<sup>th</sup> century, they were interpreted as social inventions “not related to mechanical ones and not being discoveries in natural sciences” [10, pp. 859–860]. In the context of building a welfare state and in accordance with acceleration periods of emancipation movements, community development, social and solidarity economy, social innovations meant new models of participation, management, and self-government [1, p. 16].

In the modern world, social innovations are a separate area of public policy in many countries and the subject of research in various scientific approaches (for example, sustainable [11] or inclusive development [12]) and attempts to theoretically understand this phenomenon. In addition to expectations related to overcoming social challenges, interest in social innovations is caused by a fundamental shift in the innovation paradigm, which is manifested in the openness of the innovation process, its orientation toward social problems, and a deeper recognition of the importance of non-technological innovations [13, p. 15–19]. In relation to multidimensional nature of social innovations, various definitions of this term exist: from broad (“*changes in the cultural, normative, or regulative structures of the society, which enhance its collective power resources and its economic and social indicators*” [14, p. 74]) to more specific ones (“*new solutions (products, services, models, markets, processes, etc.) that simultaneously meet a social need (more effectively than existing solutions) and lead to new or improved capabilities and relationships and/or better use of assets and resources*”<sup>6</sup>). As a result, researchers not only attempt to systematize existing interpretations [15] but also present social innovations as a “quasi-concept” [16]. It is noted that, according to theory, it still remains underdeveloped, and understanding of the nature and prospects of social innovation is very limited, and it primarily depends on practice and reflections, based on it [17].

Issues related to social innovations were reflected in the works of Soviet researchers,

<sup>6</sup> Social Innovation Overview: A Deliverable of the Project: “The Theoretical, Empirical and Policy Foundations for Building Social Innovation in Europe” (TEPSIE). *The Young Foundation*. Available at: <https://youngfoundation.org/wp-content/uploads/2012/12/TEPSIE.D1.1.Report.DefiningSocialInnovation.Part-1-defining-social-innovation.pdf>

where they were understood as qualitatively new formations, structures, mechanisms of social production, society as a whole or its subsystems [18, p. 9]. Typical examples of such projects of that time were socialist competition, People's Volunteer Squads, public associations of disabled people, etc. Current focus on the topic of social innovation in Russia is associated with many unresolved systemic challenges and changes in the existing relationship between the government and society in the context of ensuring the implementation of social rights. The 2008 crisis worsened existing problems, which led to the increase of interest in this phenomenon in research and practice [19, p. 15–16].

With the existing variety of approaches in the academic literature, they all recognize the collaborative nature of social innovation which implies the interaction of various actors to achieve the greatest effect in overcoming acute social problems. Since many global challenges are complex and of social nature [12, p. 13], the search for efficient solutions is often at the intersection of activities of several actors, which determines the necessity and even inevitability of finding mutual interests.

Social innovations emerge in different sectors (public, private, non-profit, etc.) and may take diverse forms and scales: from micro-level innovative projects to systemic transformations in the socio-economic structure of states; from various products and services to business models, platforms, markets, etc. The range of impact of such initiatives is also quite wide: from new models of child, elderly, and disabled people care to addressing issues of sustainable consumption, access to education, environmental issues, energy conservation, etc. One of the most common ways of implementing social innovations is social entrepreneurship, which is aimed at

meeting social needs by combining social and economic goals, where priority is given to the former. As a rule, such activities occur in non-commercial, private, and public sectors of the economy or at its intersection [20, p. 371]. Development of social innovations worldwide is different due to the regional characteristics [21, p. 172–173]. The regional context has a significant impact on the areas in which social innovations are developed, how they are interpreted by individual actors, and how intersectoral interaction is built in the process of solving social problems.

### Materials and methods

The article analyzes development of social innovations in modern Russia using the actor approach, which is determined not only by the importance of intersectoral cooperation to unfold its potential but also by differences in the perception of this new phenomenon (from a tool for overcoming acute social problems to a fashion trend with questionable significance for society) [22]. In the Russian context, the key actors are the government, big business, and civil society, and they determine the development vector of social innovations in the country. At the same time, these actors may act as the initiators of such projects<sup>7</sup>. In this article, we focused on the “grassroots” practices of civil society being among main sources of social innovation [23].

The information basis of the research includes national and international studies, regulatory documents, public reports, and reports of specialized organizations (fund of regional social programs “Our Future”,

<sup>7</sup> Examples of social innovations, initiated by the government, are the “Open Government” system, projects on participatory budgeting “People’s budget”, “I plan the budget”, etc. Business often implements social innovations within its own structures: for example, by introducing new practices in the workplace to create a favorable production environment.

Social Innovation Support Center SOL, etc.). To achieve a set of goals, we primarily used general scientific research methods (discourse analysis, synthesis, generalization, comparison, induction, etc.). However, it is important to understand that available empirical data on development of social innovations in Russia are limited. On the one hand, the relative novelty and diversity of the studied phenomenon result in the absence of official statistical accounting, while the available sources are often based on the crowdsourcing technology, when a project is included into a catalog at the suggestion of an applicant, or information about initiatives that participated in various programs and competitions is used. As a result, many local practices remain outside the broad public attention. On the other hand, most observations, which may be applied to the analysis of social innovations, cover exclusively social entrepreneurs leaving aside other actors (government, business, civil society, etc.). All of it makes it difficult to draw a complete picture of social innovation sector in modern Russia. As a result, the study does not claim to be exhaustive, but it seeks to show the existing variety of interpretations of the studied phenomenon.

### **Social innovations within the Russian federal government policy**

In Russia, the government plays a major role in solving social problems, and it is an important actor in development of social innovations. Russia inherited the extensive social security system from the USSR with its paternalistic welfare state model. In the 1990s, the government of the Russian Federation started a liberalization course, taking significant steps toward delegating social provision to the market and wider society, individualizing social risks and marketization of services that had previously been free [24; 25]. In the

2000s, the trend related to the revision of social sphere administration principles continued: priority gradually shifted from production to the regulation and mediation on the social services market. An active search for non-state actors capable of implementing social security formats began. In 2016, the government formulated a goal to outsource 10% of the social service provision to non-state suppliers – socially oriented non-profit organizations (SO NPOs) or businesses<sup>8</sup> – by 2018 in order to improve quality, accessibility, and to increase competition in this area. The government policy of social innovation support reflects these processes, fitting into the existing trend of a welfare state transformation and the growing presence of non-state institutions in the social sphere.

For the first time, social innovations were mentioned in official documents in 2008 (Concept for Long-Term Socio-economic Development of the Russian Federation for the Period until 2020<sup>9</sup>). Despite major focus on development of technological innovations, the Concept considers social innovation production as an additional source of economic growth.

The next mention is contained in the section “Innovations in the public sector, infrastructure, and the social sphere” of the Innovative Development Strategy of the Russian Federation until 2020<sup>10</sup>. The Strategy does not define this term, but suggests developing innovative solutions in education, health, culture, social services, etc. In 2015, the Council for the Development of Social Innovations in the

<sup>8</sup> On the approval of the “roadmap” “Support for access of non-profit organizations to provision of services in the social sphere”: Decree of the RF Government no. 1144-p, dated June 8, 2016.

<sup>9</sup> Concept for Long-Term Socio-Economic Development of the Russian Federation for the Period until 2020: Decree of the RF Government no. 1662-p, dated November 17, 2008.

<sup>10</sup> Innovative Development Strategy until 2020: Decree of the RF Government no. 2227-p, dated December 8, 2011.

Subjects of the Russian Federation under the Federation Council was established. Currently, half of Russian regions host centers for innovations in the social sphere (CISS). However, this term has not yet been officially defined. Moreover, the aforementioned documents remain the only references to social innovation in federal legal acts.

The concept of social entrepreneurship became much more common in Russia. This term was first used in the federal regulatory documents in 2011 (order of the Ministry of Economic Development of the Russian Federation no. 227 on competitive selection of entities of the Russian Federation for granting subsidies within providing government support for small- and medium-sized enterprises (SMEs)<sup>11</sup>). It should be noted that the terms of “social innovation” and “social entrepreneurship” are often used synonymously in the Russian public discourse. Thus, activities of the aforementioned organizations that have the term “social innovations” in their names focus on two categories of actors – SO NPOs and social entrepreneurs<sup>12</sup>. These actors are supposed to step in for the social provision in the course of the social sphere denationalization. The interchangeable usage of two terms is explained by a common perception of social entrepreneurship as a carrier of social

innovations and a tool for its implementation. Social enterprises are perceived as having an in-built element of innovation [26, p. 145], since they provide adapted and flexible services as compared to the government standardized offers aimed at an average consumer. Another point of view on the source of social entrepreneurship innovativeness suggests that a competition with traditional businesses and government structures forces social entrepreneurs to use the best technologies to increase productivity and quality of products or services<sup>13</sup>.

The Russian Ministry of Economic Development had a great influence on the content of the social entrepreneurship concept, including by acting as a driving force in determining its legal status in the Russian legal field, preparing a bill in the form of amendments to the Federal Law-209 “On the development of small and medium enterprises in the Russian Federation” in 2016. On July 26, 2019, the law came into force, formally enshrining the concepts of “social entrepreneurship” and “social enterprise” and outlining the types of state support<sup>14</sup> for this new form of entrepreneurship. The law was developed as part of the implementation of the “Strategy for Development of Small and Medium Entrepreneurship in Russia until 2030” and the Roadmap for Supporting the Access of Non-Governmental Organizations to the Provision of Social Services<sup>15</sup>. It illustrates the dual focus of government support in the area of social

<sup>11</sup> On organizing carrying out of competitive selection of entities of the Russian Federation, budgets of which receive subsidies for financing events conducted within providing government support for small- and medium-sized businesses in entities of the Russian Federation in 2011: Order of the RF Ministry of Economic Development no. 227, dated May 20, 2011.

<sup>12</sup> Information on the work of Council for Development of Social Innovations in Entities of the Russian Federation under the Federation Council of the RF Federal Assembly in 2016. Available at: <http://council.gov.ru/media/files/kGAif4xJTY1AFfhZiJAxRud29osHyIHr.pdf> (accessed: April 24, 2020); Ivanushkin G. Artem Shadrin on the roadmap for NPOs' access to the social services market. ASI. Available at: <https://www.asi.org.ru/article/2016/06/29/chernovik-artem-shadrin/> (accessed: April 24, 2020).

<sup>13</sup> Kazantsev V. Social services on outsourcing. *Nezavisimaya Gazeta*. Available at: [http://www.ng.ru/ng\\_politics/2016-10-04/9\\_social.html](http://www.ng.ru/ng_politics/2016-10-04/9_social.html) (accessed: April 24, 2020).

<sup>14</sup> On amending the Federal Law “On development of small and medium entrepreneurship in the Russian Federation” in terms of consolidating concepts “social entrepreneurship”, “social enterprise”: Federal Law no. 245-FZ, dated July 26, 2019.

<sup>15</sup> On the approval of the “roadmap” “Support for access of non-profit organizations to provision of services in the social sphere”: Decree of the RF Government no. 1144-p., dated June 8, 2016.

entrepreneurship: on the one hand – small- and medium-sized businesses, on the other – socially oriented non-profit sector. However, the legislative definition is primarily focused on SMEs, offering a narrow interpretation of social entrepreneurship and excluding non-profit organizations from the official status. The provisions of the law, as well as the forms of provided support, can be applied to NPOs only if they carry out their activities in a “mixed” form, combining non-profit and commercial structures. Thus, the new legislation reinforces the interpretation of social entrepreneurship as profitable business.

The studied law also defines the areas of social entrepreneurship, the options for profit sharing, the composition of employees, etc. Such a narrow framework restricts the entrepreneurial freedom and, thus, the development of innovative solutions. In addition, the text of the law does not mention innovation as a necessary criterion for social entrepreneurship. This may be caused by prevailing technological understanding of innovation and a lack of discussion about the content of the concept of social innovation in the Russian public discourse [27, p. 37]. At the same time, the law allows expanding the range of social entrepreneurship areas depending on local conditions. This approach gives the authorities an opportunity to regulate activities of social entrepreneurs at the regional and municipal levels and address the most pressing issues in a targeted manner. Thus, by clearly articulating a demand for specific services and specifying the modalities of doing business, the government directs the efforts of social entrepreneurs to implement specific tasks in the social sphere, but to change approaches to solving social problems and overcoming the causes of their occurrence.

### **Social innovations within corporate social responsibility of large businesses**

The appearance of the term “social innovations” in a broad discourse, or the concept of social entrepreneurship as one of its most widespread forms, is associated with activities of the fund for regional social programs “Our future”, established in 2007 on the initiative of V. Y. Alekperov – the President of PJSC “LUKOIL”. It is worth noting that the fund significantly influenced the formation of the “social entrepreneurship” definition [28] as a self-sufficient and sustainable “business aimed at mitigating or solving social problems”<sup>16</sup>. This vision broadly corresponds to the interpretation given in the federal legislation. At the same time, the fund does not impose any restrictions on social entrepreneurs’ possible activity areas.

Granting support to social initiatives, the fund is guided by additional criteria of social impact, replicability, and innovativeness<sup>17</sup>. At the same time, the innovation of projects is interpreted very broadly as “a certain degree of novelty in the approach to solving social problems” or more narrow as an innovative component confirmed by a patent. Social impact is a quantitative indicator for the fund: social entrepreneurial activities should cover at least 1.000 people annually. Thus, support is mainly received by applicants who offer solutions at the level of concrete quantifiable services or products rather than new concepts and ideas. The focus of a large number of Russian social entrepreneurs on overcoming acute problems is also confirmed by the results of a study by the Zircon group. According

<sup>16</sup> Social Entrepreneurship: Features, Characteristics, History. *FRSP “Our Future”*. Available at: <http://konkurs.nb-fund.ru/social-entrepreneurship/> (accessed: April 24, 2020).

<sup>17</sup> Conditions for financing social projects. *FRSP “Our Future”*. Available at: <http://konkurs.nb-fund.ru/conditions/> (accessed: April 24, 2020).

to these data, 54% of social entrepreneurs who participated in the survey launched the production of goods or services a lack of which they, or their families, felt in the past [27, p. 9].

NPOs and entrepreneurs can apply for interest-free loans – the main tool for supporting social entrepreneurship of the “Our future” fund, however, based on the description of supported projects, this opportunity is mostly used by commercial entities. The decision to support social entrepreneurship rather than invest in charitable projects results from a discussion about the efficiency of a company’s corporate social responsibility (CSR). From this point of view, the efficiency of investments in social entrepreneurship is higher, since, after receiving support, initiatives become financially independent, and free resources may be invested in other projects, while charitable organizations require constant financial investments, which can lead to an organization’s dependence on the sponsors<sup>18</sup>.

In addition to PJSC “LUKOIL”, many large Russian companies (PJSC “MMC “Norilsk Nickel”, JSC “OMK”, OK “RUSAL”, JSC “SUEK”, JSC “ARMZ”, PAO “SIBUR”, etc.) also implemented social measures for entrepreneurs into their CSR concepts. In this area, large businesses cooperate with authorities at various levels. For example, experts of the “Our future” fund actively participated in development of the “Roadmap for Supporting the Access of Non-Governmental Organizations’ to the Provision of Social Services” and later – the draft law on social entrepreneurship. Since 2014, the Fund has been a member of the Council for Development of Social Innovations in the

<sup>18</sup> Nataliya Zvereva (FRSP “Our Future”): “In social entrepreneurship, we set a trend”. *Bankovskoe Obozrenie*. Available at: [https://bosfera.ru/bo/nataliya-zvereva-fond-nashe-budushchee-v-socialnom-predprinimatelstve-my-zadaem-trend?\\_utl\\_t=fb](https://bosfera.ru/bo/nataliya-zvereva-fond-nashe-budushchee-v-socialnom-predprinimatelstve-my-zadaem-trend?_utl_t=fb) (accessed: April 24, 2020).

Subjects of the Russian Federation under the Federation Council. OK “RUSAL” and JSC “Severstal” are co-founders of a regional CISS. At this place, it should be noted that CSR of big Russian businesses is considered by many analysts as a response to the request formulated by the government. This explains the high similarity of approaches of these actors to the studied phenomenon.

In addition to financial support in the form of interest-free loans, grants, and equity participation, the business contributes to the promotion and dissemination of successful social entrepreneurship practices by organizing training events, incubation programs, and conferences. However, with the exception of the Fund “Our Future” that operates in 57 Russian regions, big manufacturers support social entrepreneurship mostly in a few regions of their presence.

#### **Social innovations in the context of civil society**

Russian civil society is one of the key actors initiating and producing social innovations in the country despite being characterized as relatively weak and underdeveloped [29; 30]. There are various ideas about social innovation and social entrepreneurship in the civil society, which are manifested through activities of respective organizations. In the context of social security, many SONPOs and social entrepreneurs work within the directions defined by the government policy. They act as executors of the state priorities in addressing specific acute social issues and convey the understanding of social entrepreneurship that is close to the one adopted at the government level. However, even in this context, there are organizations that represent a systematic approach to social protection issues and most often do not meet the criteria of the official definition of social entrepreneurship. These

include the charity fund for disabled and elderly people “Old Age in Joy”, the project “Mama Works” of the charity fund for social support and protection of citizens “Road to Life”, the hospices fund “Vera”, etc.

Existing support infrastructure contributes to development of social innovations in areas that are outside of the state priorities. In addition to aforementioned assistance from big business structures and authorities, there are alternative sources of financial and non-financial support in Russia. These include general narrow-focused educational and incubation programs (social entrepreneurship schools for NPOs<sup>19</sup> or programs for elderly social entrepreneurs<sup>20</sup>, schools of environmental entrepreneurship<sup>21</sup>, etc.), contests and awards (Social Impact Award for young social innovators, “Contest of Social Innovation Leaders”, etc.), attraction of experts from business community on the basis of pro bono volunteering, etc.

Some civil society organizations act as mediators and place their accents in the interpretation of the studied phenomenon. For example, Impact Hub Moscow<sup>22</sup> shares the vision of social entrepreneurship adopted by the Global Community of Impact Hubs, which it is a part of. According to it, social entrepreneurship is a way to solve social problems based on a financially sustainable business model of innovative entities. At the same time, Impact Hub adds some distinctive features to this definition, focusing on the innovation of business activities and

achievement of the Global Sustainable Development Goals. Another organization-mediator is the Social Innovation Support Center “SOL” which was created to support innovative social entrepreneurship, and it is more flexible in its approach to sources of financial stability. Revenue from business activities is considered to be the most reliable one, but an ability to find and combine different resources can also ensure the long-term stability of a project. According to “SOL”, the defining features of social entrepreneurship are innovativeness, social impact, systematic character of the aspired changes, and sustainability of suggested solutions. According to the report of the “SOL” Center within the “Map of Social Changemakers” project, most social innovators in Russia are focused on overcoming consequences of social problems rather than on the systematic change of approaches to solving it. In this regard, activities of mediating organizations that support a systematic approach are important for the future development of social innovations.

In the past few years, social innovation has also spread in the less formalized environment of the grassroots civic activism. Here, they are often revealed in the form of civil technologies, which are aimed at overcoming information asymmetry and involving people in the public life. A number of innovative projects, based on IT technologies, have emerged in Russia since 2010. With its assistance, citizens, for example, may attract volunteers to overcome consequences of natural disasters<sup>23</sup> and search for missing people<sup>24</sup>, to monitor air pollution<sup>25</sup>,

<sup>19</sup> Social Accelerator. *CRNO*. Available at: <http://spclub.crno.ru/sotsialnyiy-akselerator> (accessed: April 24, 2020).

<sup>20</sup> Ready to Start. *Impact Hub Moscow*. URL: <http://www.impacthubmoscow.net/zayavka-na-uchasti-v-programme-ready-to-start/> (accessed: April 24, 2020).

<sup>21</sup> School of Environmental Entrepreneurship. *SHEPR*. URL: <http://shepr.ru/> (accessed: April 24, 2020).

<sup>22</sup> Map of leaders of social changes. *SocChain*. Available at: <http://soc-chain.ru/> (accessed: April 24, 2020).

<sup>23</sup> The project “Russian Fires”. Available at: <http://russian-fires.ru/> (accessed: April 24, 2020).

<sup>24</sup> Search and rescue team “Liza Alert”. Available at: <https://lizaalert.org/> (accessed: April 24, 2020).

<sup>25</sup> *Breathe.Moscow*. Available at: <https://breathe.moscow/> (accessed: April 24, 2020).

tax returns of officials<sup>26</sup>, public procurements<sup>27</sup>, to communicate more transparently and efficiently with authorities and public institutions<sup>28</sup>, to address city infrastructure problems<sup>29</sup>, etc. All these initiatives are created by civic society activists or citizens' volunteer associations. Efficient solution of tasks in this case often does not imply the existence of a business model, commercialization of activities, or profit generation. Although many projects are aimed at solving a specific problem, the crowdsourcing technology has an additional effect: it helps to bring transparency to relations between people and public institutions and strengthen citizens' voice in public decision-making. In this area, there is also an organization-mediator – “Teplitsa (“Greenhouse”). Technologies for Social Good”. It supports the creation of civil online applications and aggregates information about existing projects, so it plays an important role in broadcasting its vision of social innovations, based on civic technologies and having a systemic nature<sup>30</sup>.

Thus, the analysis showed the co-existence of different interpretations of social innovations by public authorities, business structures, and civil society. Social innovations may be considered a tool for overcoming micro-level problems, institutional solution to systemic challenges, financially sustainable social business, projects based on volunteerism; having a “certain degree of novelty” and unique

ways of solving problems, including the usage of information technologies. The choice of a particular interpretation is related to the goals and context of an actor's activity.

### **Prerequisites for intersectoral cooperation in the context of social innovation development in Russia**

It is impossible to fulfill the potential of social innovations without forming close links between its actors. It is reflected in the concept of ecosystems becomes popular in the academic literature, focusing not only on the framework conditions for development of social innovations but on the importance of intersectoral interaction [2]. The prerequisites for such cooperation are largely determined by the parameters of external environment, as well as differences in the understanding of social innovations and interests of actors involved.

Analyzing the relations between the government and civil society in modern Russia, first of all, it is worth noting that they are characterized by control and selective approach of the authorities to non-profit structures, which manifests itself, for example, in restricted access to international funding and a clear division into socially oriented and other NPOs [31; 32]. In recent years, the government has made a lot of efforts to involve “constructive” civil society in the process of making and implementing political decisions [33]. However, the interaction between these two actors is asymmetric, formed by a clear hierarchy, and it clearly works in favor of authorities [34]. The government interacts with civil society, defining partners, areas, and boundaries of cooperation [33].

Within the state policy on social entrepreneurship, interaction is also built in the “top-down” or “customer – service provider” manner. Main support is aimed at those who help solve urgent problems in the area of social provision determined by the authorities (for

<sup>26</sup> Declarator. Available at: <https://declarator.org/> (accessed: April 24, 2020).

<sup>27</sup> Government expenditures. Available at: <https://clearspending.ru/> (accessed: April 24, 2020).

<sup>28</sup> Open ZKH. Available at: <http://openzkh.svobodainfo.org> (accessed: April 24, 2020).

<sup>29</sup> *Krasivyyi Irkutsk*. Available at: <http://www.красивый-иркутск.рф> (accessed: April 24, 2020); *RosYama*. Available at: <https://rosyama.ru/> (accessed: April 24, 2020).

<sup>30</sup> Sidorenko A. Civic tech – technologies that were supposed to awaken a civic culture in us. *Teplitsa. Technologies for Social Good*. Available at: <https://te-st.ru/2020/02/07/the-main-thing-about-civic-tech/> (accessed: April 24, 2020).

example, a lack or absence of kindergartens, hospitals, rehabilitation institutions, homes for elderly people, etc.), determined by authorities. These objectives also explain the focus on businesses that respond faster to demand changes and have necessary competencies to conduct commercial activities, while the creation of SONPOs, even despite the growing professionalization of the non-profit sector, is a longer process, which includes the self-organization of citizens around a specific problem building up a membership base, and attraction of volunteers.

Some Russian SONPOs, especially ones that are used to relying on direct government funding and other forms of support under the Soviet model of social security (trade unions, organizations of veterans, pensioners, people with disabilities, etc., as well as ones representing the interests of large population groups), try to resist the liberalization of the social sphere and maintain direct support and preferential conditions for recipients of their services [35]. In turn, regional and local administrations try to reduce social dissatisfaction and continue to directly subsidize certain categories of citizens, reproducing the mechanisms of redistribution characteristic of the paternalistic model of social security. This situation increases the inequality between different third sector organizations and reduces their incentives to innovate.

Civil society organizations working in areas outside of the state priorities of social entrepreneurship policy are able to effectively operate. To achieve these goals, close cooperation with the government is not always necessary. As a source of support, social innovators can rely on developed infrastructure that includes offers from large businesses, private foundations, or beneficiaries of the services. Researchers note an improvement of NPOs' capabilities to mobilize financial

resources through crowdfunding or donor contributions [37]. At the same time, according to a study by the Zircon group, 43% of respondents did not hear anything about government measures to support social entrepreneurship in 2018, which may indicate its inefficiency, unavailability, or inaccessibility [27, p. 24]. In addition, some social entrepreneurs deliberately avoid interaction with the government, because they do not trust its structures or afraid of excessive requirements and bureaucratic procedures associated with such relationships.

As for social innovation within civic activism, intersectoral interaction is often unavoidable. For example, previously mentioned online applications for improving urban infrastructure do not fix the problem but only indicate its presence. By attracting a large number of users and public attention, such initiatives create a situation when authorities, most often municipal ones, must respond to it. The results of field research, conducted by the authors, show that, in case of civil technologies, the forms of interaction vary from cooperation to conflict<sup>31</sup>. However, it should be noted that practices of interaction between government structures and civic society may significantly differ at the regional and local levels, which underlines the relevance of localizing the research focus.

Big Russian businesses, as a rule, take positions close to the government, including that related to the development of social entrepreneurship. These actors cooperate within the formation of infrastructure to support it: for example, when creating regional centers for social innovation. The interaction of business with civil society is mainly limited

<sup>31</sup> The study was based on qualitative methods (case study) and conducted in 2017 at the municipal level in Moscow, Irkutsk, Omsk, and Yekaterinburg in the form of 64 in-depth semi-structured interviews with social innovators, government representatives, and experts.

to financing of individual projects within the framework of corporate social responsibility of companies in places of their presence. Often, these places are single-industry towns, where large industrial companies are the only employer, and they are forced to take responsibility for the welfare and social stability in these localities. Business interests in diversifying employment, expanding a range of social services, and solving acute social problems create prerequisites for cooperation with local civil society. However, the weakness of the latter hinders “equal” interaction and development of solutions to overcome social challenges. At the same time, there are some cases of closer cooperation between business and civil society within joint programs for development of social entrepreneurship: for example, a joint program of Impact Hub Moscow and Rosbank “Start Differently” (“Nachni Inache”) for inclusive social and entrepreneurial projects.

Thus, intersectoral cooperation in the area of social innovations largely reflects the characteristics of environment, in which they are implemented. Clarification of current trends in relationships between main actors and identification of differences in the perception of the studied phenomenon allow revealing the existence of a number of restrictions that hinder the development of such practices in Russia.

Within this study, it is primarily the lack of real prerequisites for active cooperation, which is associated with the interpretation of

social innovation by most actors as a tool for overcoming the consequences of social problems. As a result, each stakeholder solves this task from the perspective of its own interests (improving the efficiency of public administration, implementing the principles of corporate social responsibility, meeting local demand for social services, etc.) without establishing close ties with each other. Sociological data for certain regions also demonstrate the lack of cooperation between the actors involved [22], which makes it difficult to develop systematic approaches toward overcoming many social challenges. The prospects for the future of the concept of social innovation in Russia include the preservation of a multi-faceted understanding of its role in social development, embodied in various, often non-overlapping, contexts and the low level of intersectoral cooperation.

The contribution of the research to the development of theoretical science consists in the accumulation of empirical material on the development of social innovations in a specific environment, which brings clarity in understanding the essence of the studied phenomenon from perspective of different actors and their relationships. The findings may also be used by public authorities while developing specific management decisions aimed at creating an enabling environment for unfolding the potential of intersectoral cooperation.

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