

Identifying Barriers to the Functioning of Socially Oriented Nonprofit Organizations as an Active Subject of the Regional Economy (on the Example of Perm Territory)



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Abstract. Due to the difficult socio-economic situation of Russia's regions, it is necessary to involve nongovernmental providers of socially significant services to eliminate government failures. In this regard, socially oriented nonprofit organizations play an important role. As practice shows, despite the recognized importance of such organizations, their potential in the regional economy is not implemented to the fullest extent. Reasons for such a situation are studied in a large number of works, but they do not always take into account territorial specifics, which makes it difficult to identify specific areas of problem solving. Thus, the aim of this study is to identify barriers to and prerequisites for the sustainable development of socially oriented nonprofit organizations as an active subject of the regional economy, effectively implementing its functions in socially significant sectors of the economy on a systematic and long-term basis. To achieve this goal, we analyze the functioning of socially oriented nonprofit organizations (using the example of Perm Territory). The information base includes a set of relevant regulatory documents, data from state and departmental statistics, ratings of RF constituent entities, findings of sociological research commissioned by the Grants Fund of the Governor of Perm Territory in 2020–2022. We systematize the problems that socially oriented nonprofit organizations deal with in their work, according to the impact on the organization, respectively, related to the external and internal environment. On this basis, we outline the conditions necessary to increase the sustainability of the development of socially oriented nonprofit organizations in the region.

Key words: potential, problems in SONPO functioning, barriers to SONPO development, sustainable development of SONPOs, regional economy.

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Introduction

The past decade has witnessed an increasing importance of the role of socially oriented nonprofit organizations (SONPOs); this fact is reflected in numerous scientific publications. Researchers emphasize that human capital is a system-forming factor in sustainable economic activity in the regions, and this increases the importance of institutions aimed at its development (Evans, Syrett, 2007; Maryganova, Dmitrievskaya, 2013; Babina, Sadovnikova, 2018). Scientists' attention of scientists is mainly focused on identifying trends in the development of the nonprofit sector, problems related to the introduction of new models of interaction between the government and nonprofit organizations, specifics of NPOs functioning in various economic sectors (see, for example: Gromova, Mersiyanova, 2016; Mersiyanova, Benevolensky, 2017; Medvedeva, Frolova, 2018; Moskovskaya, 2018; Shabunova, Kosygina, 2019; Krasnopolskaya et al., 2015). The more wide participation of the population (personally or in cooperation with SONPOs) in addressing local issues makes it possible to more effectively use the limited resources of regional budgets to fulfill social obligations, increase the targeting of social support and the quality of social services for vulnerable

population groups. Research findings confirm that the activities of the nonprofit sector contribute to the formation of human and social capital and thereby affect socio-economic development in regions (Dvoryadkina, Prostova, 2021; Birch, Whittam, 2008). This is especially noticeable at the local level, where the nonprofit sector contributes to building the capacity of communities and stimulates their autonomy in solving local problems (Abiddin et al., 2022; Hayman, 2019).

The importance of using SONPO potential in addressing acute social issues has also been recognized by the Government of the Russian Federation. Since 2015, socially oriented nonprofit organizations have actually been integrated into the reform of the social service sector, which provides for equal rights of participation of governmental and nongovernmental social service providers (Moskovskaya, 2018). Russia has adopted a set of measures aimed at supporting them. The fundamental documents relating to the activities of SONPOs are Federal Law 7, dated January 12, 1966 “On nonprofit organizations” and Federal Law 235, dated April 5, 2010 “On amendments to certain legislative acts of the Russian Federation on providing support to socially oriented nonprofit organizations”, which for the first time introduces the concept of SONPOs and defines measures to support them. Since 2016–2017, they have been legally entitled to receive the status of a performer of socially useful services¹; a decree of the President of the Russian Federation approved their list, identified priority directions of activity in this area². Inclusion

¹ On amendments to the Federal Law “On nonprofit organizations” regarding the establishment of the status of a nonprofit organization performing socially useful services”: Federal Law 287-FZ, dated July 3, 2016.

² On approval of priority areas of activity in the field of providing socially useful services: Presidential Decree 398, dated August 8, 2016.

in the register of NPOs performing socially useful services grants the right to receive priority measures of state support. An analysis of current legal acts has shown that the legislative framework for the functioning of SONPOs is regularly updated and expanded taking into account crisis events in socio-political life. Thus, the issues of regulating the use of SONPO endowment capital are being addressed³; control (supervisory) inspections of SONPO activities have been abolished⁴; conditions for receiving state subsidies and grants have been improved⁵, etc. At the same time, the analysis of the regulatory framework for the functioning of socially oriented nonprofit organizations indicates that at the present stage they are perceived more as an object of support, rather than as an active subject capable of positively influencing socio-economic development in regions.

Meanwhile, research shows that the activities of socially oriented nonprofit organizations can have noticeable effects on the regional economy. Thus, SONPOs participate in the processes of production and distribution of socially significant benefits (Mersiyanova, Benevolensky, 2016), act as employers for socially vulnerable population groups (Goryacheva, 2018), create opportunities for the transfer of knowledge and skills, thereby

³ On amendments to certain legislative acts of the Russian Federation and on the suspension of certain provisions of the Federal Law “On the procedure for the formation and use of endowment capital of nonprofit organizations”: Federal Law 279-FZ, dated July 14, 2022.

⁴ On the specifics of the organization and implementation of state control (supervision), municipal control: RF Government Resolution 336, dated March 10, 2022.

⁵ On amendments to the general requirements for regulatory legal acts, municipal legal acts regulating the provision of subsidies, including grants in the form of subsidies, to legal entities, individual entrepreneurs, as well as individuals producing goods, works, services and on the specifics of providing these subsidies and subsidies from the federal budget to the budgets of constituent entities of the Russian Federation in 2022: RF Government Resolution 590, dated April 5, 2022.

increasing the innovative attractiveness of the region (Saidov, 2020), multiply human and social capital (Hartmann et al., 2019), stimulate civic participation to solve local problems (Artamonova, Bazueva, 2022). This gives reason to conclude that, under certain conditions, SONPOs can become effective economic agents. However, the currently implemented methods of stimulating their activities allow them to perform their functions to a limited extent and do not provide an opportunity to act as growth points for the territory of their presence.

To track the dynamics of SONPO activities, a system of state and departmental statistics is being formed, ratings of regions are being compiled based on the results of the implementation of SONPO and social entrepreneurship support mechanisms, ensuring access of nongovernmental organizations to the provision of social services and the introduction of competitive ways for providing state (municipal) services (the rating of the Ministry of Economic Development of the Russian Federation since 2017) and assessing the level of development, the magnitude of the potential of the nonprofit sector in the region and the effectiveness of its use for interaction with key stakeholders (the rating compiled by RAEX-Analytics together with the Civic Chamber of the Russian Federation and civic chambers of RF constituent entities since 2020). Due to a lack of a unified interpretation of social orientation in a multi-level system of regulatory documents defining the grounds for supporting SONPOs, the criteria for the inclusion of nonprofit organizations in various data systems are ambiguous. Thus, according to a sample survey by Rosstat, in 2021 the number of SONPOs in Russia was 127,632 units, and according to the information of the RF Ministry of Economic Development, only 46,672 nonprofit organizations are socially oriented. The quantitative inconsistencies between the data

of Rosstat and the RF Ministry of Economic Development are due to the fact that the existing regulatory framework actually excludes a large layer of the nonprofit sector from the SONPO register (for example, NPOs engaged in tourism development, landscaping, environmental problems, etc.), since, according to the definition of the federal law, they are socially oriented, but at the same time do not meet the criteria for inclusion in this list.

Such inconsistency cascades into the methodology of the RAEX-Analytics rating and shows a lack of clear criteria for the selection of NPOs for its formation. Thus, as a result of existing problems with statistical data on the number of NPOs and SONPOs, due to flaws in Russian legislation, the Agency, when performing the calculations, excluded from the analysis those NPOs that “inherently gravitate more toward commercial or exclusively corporate entities”⁶. At the same time, there are no specific explanations about the criteria for their differentiation in the guidelines.

The inconsistency of the regulatory framework for the functioning of SONPOs makes it difficult to objectively assess the scope of the sector’s activities, as well as the volume and effectiveness of various types of support for SONPOs⁷, the limited availability and insufficiency of which acts as one of the main barriers to their activities.

⁶ Available at: <https://raex-rr.com/pro/NKO/Region-nko/Region-nko-size/2022/methods/>

⁷ The legislation establishes various forms of support: procurement of goods, works and services on a contractual basis; provision of benefits for the payment of taxes and fees; information support for the activities of NPOs; transfer of municipal property for free use; consulting support for the activities of NPOs; training of professional personnel and volunteers; provision of benefits for legal entities – donors; provision of preferential conditions for renting premises; providing subsidies to NPOs for the development of their activities; grant support for the activities of NPOs. For more detail, see: On nonprofit organizations: Federal Law 7-FZ, dated January 12, 1996 (amended on December 5, 2022).

Coupled with other problems, the effectiveness of the measures taken to support SONPOs remains insignificant (Rudnik et al., 2017; Rudnik, Kushtanina, 2018; Grigorieva, Parfenova, 2021) and the potential of the nonprofit sector for the effective functioning of regional socio-economic systems is limited (Kosygina, 2018; Starshinova, Borodkina, 2020).

The above indicates the inconsistency of the institutional conditions created for the development of SONPOs. In existing studies, barriers associated with both the SONPO functioning environment (Belokrylova, Vakhtina, 2017; Rudnik, Kushtanina, 2018) and internal causes (Zabolotnaya, Larionov, 2017; Grigorieva, Parfenova, 2021) are usually referred to as constraining factors. However, they are formulated in a very general way and are not always based on taking into account the opinions of real participants in the process – SONPOs themselves, representatives of government and business, as well as consumers of social services. In addition, the territorial specifics of the problems faced by socially oriented nonprofit organizations are not taken into account. Possible directions for solving the problems, as a rule, are not defined clearly; they do not focus on considering SONPOs as active subjects of the regional economy. The paper is intended to fill this gap in scientific knowledge, which will constitute the novelty of this study. In connection with the above, the aim of our study is to identify barriers that impede the sustainable development of SONPOs as active subjects of the regional economy, effectively implementing their functions in socially significant economic sectors on a system-wide and long-term basis.

Materials and methods

To begin with, we note that the goal we have defined determines the narrowing of the object of research according to two criteria.

1. According to the nature of the activities of nonprofit organizations – SONPOs. The focus on SONPOs as an integral part of the nonprofit sector is defined by the following: 1) functions – provision of socially significant services to the population that are of priority importance for the balanced development of the regional economy; 2) greater availability of indicators in the system of state statistics; 3) availability of specialized ratings of RF regions aimed at assessing the effectiveness of using the sector's potential; 4) opportunity to provide a scientifically substantiated analysis of the problems and trends in the development of SONPOs based on the results of a research carried out in 2020–2022 and commissioned by the Grants Fund of the Governor of the Perm Territory.

2. On a territorial basis – a specific region of the Russian Federation (Perm Territory). The choice of the Perm Territory as a pilot research region is due to several factors. The Perm Territory is one of the leading regions in the development of the nonprofit sector in general and SONPOs in particular. According to experts, the formation and development of nonprofit organizations in the region was proceeding at a faster pace than the nationwide. Many regional NPOs serve as resource centers, including at the federal level, and are among the most influential in the country. At the same time, the Perm Territory began to lose its leading position. Thus, the region ranked second in the first rating of the RF Ministry of Economic Development in 2019, having shifted down by 30 points by 2021. The interest of regional authorities in identifying the causes of negative dynamics with a detailed analysis of barriers in the activities of SONPOs and possible directions for building their potential in the region was expressed in a request to the Grants Fund of the Governor of the Perm Territory to form a concept for the development of

SONPOs in the Perm Territory. We started working on this document in October 2022 and the article shows the first results, which were discussed with the heads of SONPOs, representatives of executive authorities and socially responsible businesses within the framework of the 10th Perm Territorial Forum for Community and Volunteerism. It seems that our experience in identifying barriers and conditions for the sustainable development of SONPOs as active economic entities of the Perm Territory and directions for addressing the problems can be scaled to the territory of the country as a whole, so as to create institutional conditions for the effective functioning of SONPOs on a system-wide and long-term basis.

The information base of the study included various types of sources:

1) a set of normative documents regulating the activities of SONPOs and the forms of their support;

2) state and departmental statistics on SONPOs, as well as the data characterizing the dynamics of people's income, age structure of the region, level of health, access to education, medical and social services;

3) data from the rating of RF constituent entities based on the results of the implementation of mechanisms to support SONPOs and social entrepreneurship, ensuring access of nongovernmental organizations to the provision of services in the social sphere and introduction of competitive ways for providing state (municipal) services in the social sphere⁸;

⁸ The methodology is on the website of the Ministry of Economic Development of Russia. Available at: <https://nko.economy.gov.ru/rejting-subektov-rf>

4) the results of surveys commissioned by the Grants Fund of the Governor of the Perm Territory in 2020–2022, using qualitative sociological methods⁹, as well as data from focus group¹⁰ studies with the heads of SONPOs (eight people), with representatives of municipal authorities and business (five people), three in-depth expert interviews (the guide included 17 questions divided into three blocks: assessment of the activities of NPOs; interaction between NPOs, government, business; the concept for development of SONPOs as active subjects of the region's economy).

Research results

In 2022, according to the Ministry of Economic Development of the Russian Federation, there were 1,339 NPOs in the Perm Territory (36.8% of the total number of NPOs). According to a sample survey by Rosstat, their number amounted to 2,788 units. In general, the dynamics of SONPO development in the region corresponds to the trends observed in the Volga Federal District (VFD) and Russia, with the exception of indicators reflecting the level of volunteerism and the effectiveness of financial activities (*Tab. 1*).

⁹ A report on the results of the sociological study "Volunteers in the SONPOs of the Perm Territory". Perm, 2021 (the study was conducted using the online questionnaire Online Test Pad and interviews; as of December 2021, 134 questionnaires were received, 40 semi-structured interviews were conducted); A report on the results of the sociological study "Information openness SONPOs of the Perm Territory". Perm, 2021 (the sample consisted of 379 nonprofit organizations of the Perm Territory (15% of the total number of NPOs), formed using the random selection method).

¹⁰ The number of participants in the focus groups made it possible to ensure optimal group dynamics, since the groups are search groups aimed at developing ideas.

Table 1. Development dynamics of SONPOs

Region / year	2018	2019	2020	2021	2022	Growth rate, 2022/2018, %
Number of SONPOs, units						
Perm Territory	3058	3263	2762	2788	2788	-8.8
VFD	30867	32148	26293	24839	25183	-18.4
RF	140247	146481	128685	127632	129939	-7.3
Average number of employees, persons						
Perm Territory	5769	5605	5218	5069	5162	-10.5
VFD	79845	78764	68202	65369	64336	-19.4
RF	421186	415887	374373	377455	373333	-11.4
Average number of volunteers, persons						
Perm Territory	32116	27759	13931	13341	13972	-56.5
VFD	404599	394156	329027	399705	439139	8.5
RF	2937318	4056745	3429105	3878470	3927748	33.7
Receipt of funds and other property, thousand rubles						
Perm Territory	11286	16904	11686	4091	1584	-86
VFD	69163	74226	72788	38913	36830	-46.7
RF	1431358	1686115	2769570	2041161	6454688	350.9
Number of people who received social services, persons						
Perm Territory	1181162	1340457	1398473	1352889	2163375	83.2
VFD	9912894	11077551	9688477	11722246	12937165	30.5
RF	60377399	66289256	50170225	70813662	78810852	130.5

Source: own calculation with the use of EMISS data.

According to Table 1, the Perm Territory, in comparison with the Volga Federal District, has more positive trends in the number of SONPOs, employees and recipients of social services. At the same time, an extremely negative trend has been recorded regarding the financial provision of SONPOs. Despite the implementation of various support measures, the volumes of cash and property receipts are of great importance

for the effective functioning of SONPOs and almost always act as criteria for evaluating their activities. Thus, for example, a sharp decrease in funding is recorded, and it is reflected in the rating of Russian regions by level of support for SONPOs (*Tab. 2*). For comparison, the positions of the Perm Territory are presented alongside those of the regions that are leaders in the rating.

Table 2. Dynamics of the Perm Territory's positions in the SONPOs support rating

Region	2019		2020		2021		2022	
	Score*	Position	Score	Position	Score	Position	Score	Position
Khanty-Mansi Autonomous Area	45.63	1	52.80	1	58.62	1	53.91	2
Republic of Bashkortostan	23.64	25	37.45	5	54.18	2	58.98	1
Perm Territory	39.83	2	28.75	22	31.01	32	28.29	29

* According to the methodology of the RF Ministry of Economic Development, the maximum number of rating points that a constituent entity of the Russian Federation can score as a leader in all indicators is 100, since the final number of rating points for a region is determined as the arithmetic mean of the number of its rating points for each indicator.
Compiled using the rating data of the RF Ministry of Economic Development. Available at: <https://nko.economy.gov.ru/rejting-subektov-rf>

Based on the results of 2021–2022, the Perm Territory was part of the group of regions with an average level of support for SONPOs. The deterioration of its position is due not only to the expansion of the list of calculated indicators in the rating, but also to the negative dynamics in some other positions, except for the volume of cash receipts. For example, according to the results of the RF constituent entities rating for 2021, there is a steady decrease in the share of municipalities implementing programs to support SONPOs in the region. However, in 2022, the value of this indicator has almost doubled (from 43.48 points / 28th place to 76.74 points / 17th place). This allowed the Perm Territory to improve its position in the overall ranking. As a result, in 2021–2022, after the imposition of restrictions on the implementation of activities due to the spread of coronavirus infection and also due to the lack of tax benefits, the number of SONPOs per 10,000 people decreased significantly.

Moreover, attention is drawn to the outstripping growth in the number of recipients of social services provided by SONPOs in the Perm Territory (183.2% in 2022 to 2018, see Tab. 1), compared with data for the Volga Federal District and Russia as a whole. As noted during the focus group interviews, this may be due to the fact that SONPOs increase the availability of socially significant services for vulnerable population groups, occupying “niches” in which the volume of demand for goods and services is significantly less than their supply. Moreover, as a result of maximum proximity to beneficiaries and a better understanding of local problems, SONPOs provide greater targeting of services based on knowledge of the specifics of requests and taking into account feedback (“It is difficult without nonprofit organizations, because it is still the relationship between local governments and the population” (municipal authority representative). For example, they are able to provide the so-called

increased utility services in addition to basic services (i.e. those that are in demand by the population, but cannot be satisfied by government suppliers – complementary services). Governmental institutions cannot meet this additional demand, and private service providers (business structures) are often not interested in producing such public goods due to their unprofitability: “The value of SONPO services is significantly lower than the market value, including due to overexploitation of their resources” (fund director, Perm). In addition, the provision of services by nonprofit organizations involves less bureaucratization of activities and the ability to reach those categories of the population who, for some formal reason, are left outside the state system.

In addition to the above, experts note that SONPOs often develop innovative services in each of the priority areas that are not included in official lists; there are no state standards for them, but they are in demand among population groups that are in a difficult situation. As a result, SONPOs create a potential opportunity to choose options for providing various types of services for different population groups, taking into account the preferences and capabilities of the consumer, which “is one of the criteria for the competitiveness of the territory of residence, determining the ability of the region to retain the population” (fund director, Perm).

However, according to the results of the focus groups, only the leaders of sustainable SONPOs have a clear understanding of the sector’s contribution to the development of the territory. According to them, further development of intersectoral cooperation “is impossible without taking into account the processes of segmentation of the social services market and an increase in SONPO’s market share” (SONPO representative). Small socially oriented nonprofit organizations, as a rule, are focused on addressing local problems, which does not allow them to clearly identify the effects of

their activities and develop a long-term development strategy (Artamonova, Bazueva, 2022, p. 221). At the same time, this type of SONPOs is most exposed to risks from the flaws in the institutional conditions that determine their development.

An analysis of the causes of negative trends in the development of SONPOs in the Perm Territory showed that the barriers preventing the effective use of their potential can be systematized on the basis of impact – problems of the external and internal environment.

The **barriers of the external environment** include problems reflecting the conditions in which socially oriented nonprofit organizations function. To a greater extent, the elimination of these problems does not directly depend on SONPOs, while they largely determine the trajectory and opportunities for the development of these organizations. The barriers of the external environment include the following.

1. Impossibility of an objective assessment of the volume and effectiveness of the sector's development. This problem is related to the lack of reliable statistical information on the functioning of nonprofit organizations, which is due to the lack of a unified system for collecting data on the number of SONPOs and employees, and the amount of financial support. This makes it difficult to compile a reliable and up-to-date list of SONPOs operating in the territory of municipalities of the Perm Territory and the volume of their support in specific areas.

2. Low level of institutional support. This barrier is closely related to the previous problem and, in our opinion, is caused by flaws in the legislative framework for the functioning and support of SONPOs. As our research has shown, Russia actually has a system of double reporting (RF Ministry of Justice and the Federal Tax Service) and there are no uniform requirements for the

development of programs to support SONPOs at the municipal level. In addition, as a rule, local specifics of the interaction of local NPOs and municipal authorities are not taken into account when developing municipal support programs. This leads to the lack of a systems approach to the formation of SONPO support, which manifests itself in the failure to take into account the request from SONPOs and the need to provide different forms of support depending on the stage of the organization's life cycle in order to build long-term development strategies.

3. High administrative barriers. They lead to SONPO's low awareness of the ongoing competitive programs or the assumption that it is labor-intensive and useless to seek support; as a result, their cooperation with authorities is not established on a regular basis (focus on short-term projects, lack of a mechanism for further support of successful projects). This is often due to the lack of transparency of conditions and the difficulty of obtaining government support, which manifests itself in various aspects:

- lack of unified documentation requirements for participation in competitions organized by various ministries, departments at the municipal level, as well as socially responsible businesses;
- failure to take into account the heterogeneity of SONPOs in terms of qualitative and quantitative composition when forming the principles of competitive selection of social projects;
- the opacity of the SONPO subsidy mechanism from the budget;
- insufficient property resource support, provision of premises intended for workshops, apartments, etc., risks of nonrenewal of the lease by landlords;
- the need to confirm the effectiveness of NPO activities when applying for property support (absence of debts, regular reporting, financial

ability to pay for housing and communal services, availability of resources for repairs before using the provided premises);

- lack of vacant premises in municipalities;
- setting a minimum period of activity (for example, five or more years);
- low tariffs for services that are unprofitable for nongovernmental service providers, which do not motivate organizations to enter the register of service providers;
- lack of financial assistance and support intended for SONPOs (preferential tariffs and conditions) that exist for the commercial sector, lack of banking services directly for SONPOs or benefits for SONPO banking services;
- unequal starting conditions for obtaining a state order for the provision of social services, compared with state institutions (increased competition with organizations that previously had the status of governmental organization, including those related to accessing customers' personal data).

4. The identified problems determine the low level of intersectoral cooperation, which is understood as a set of relationships between two or more sectors that direct resources to achieve a common goal (Kosygina, 2020, p. 63). On the one hand, there are difficulties in the interaction of SONPOs with regional and municipal authorities (*"There is also a problem with staff: they do not have enough personnel to engage in full-fledged work with NPOs"* (SONPO representative)), caused by a number of reasons: misunderstanding of the content of SONPOs activities and, as a result, ignoring it; lack of experience in building a mechanism of interaction with SONPOs; lack of "telling examples" of implementing practices and maintaining partnerships; organizational barriers in internal communication between local governments and SONPOs (*"Maybe they will issue some kind of guide so that we know whom to contact*

on this or that problem" (SONPO representative)); There is an insufficiently expressed interest among senior officials of the region and municipalities in building a dialogue with SONPO representatives in the region (*"If there were some kind of agreement, interaction with local governments, we would be able, on this basis, to implement further work"* (SONPO representative)). On the other hand, problems in intersectoral cooperation are largely caused by the lack of a culture of multilateral evaluation of SONPOs performance. This is manifested in the fact that SONPOs do not have a full-fledged practice of applying internal evaluation of project performance; the evaluation of project results is limited by the number of participants or beneficiaries; the testing of the application of a multilateral assessment of the level of effectiveness of projects implemented by representatives of the expert community, beneficiaries, representatives of SONPOs, is carried out only by the Presidential Grants Fund.

5. Barriers to building intersectoral cooperation also reflect the misalignment of interests within the sector. First of all, the low level of intrasector consolidation and solidarization is due to the struggle for public resources, since the social services market is also characterized by competition. The exchange of practices between SONPOs is poorly developed, which is caused both by the lack of platforms where interaction can take place (institutionalization of interaction), and by the escalation of competition between SONPOs into a personal competition of managers or public leaders.

6. The consequence of these barriers is the lack of formation of the reputation capital of the sector, which manifests itself in various interrelated aspects. The key problem, in our opinion, is that the results of SONPO activities do not find a systematic representation in society. Some reasons for this are the lack of transparency of activities (most SONPOs do not disclose information about income

and expenses, and do not provide open reporting) and the low activity of SONPOs in matters of interaction with the media; therefore, their position in the service market is weak. For them, there is practically no access to social advertising in the media, and in general, the SONPO promotion system does not function in practice. However, the following should be noted here. SONPO activities are generally characterized by a low level of evidence-based practices: weak substantiation for choosing the direction of activity and the range of services provided, lack of a system for collecting and using data on specific performance results, causes of problems and solutions, lack of a clear understanding of the social significance of their activity. This leads to insufficient public awareness of the activities of NPOs and a low level of public confidence in them, devaluation of the positive experience of the sector as a whole as a result of aggressive rhetoric toward some NPOs opposed to public authorities; difficulties in attracting resources, narrowing the network of supporters and volunteers. These problems also have a negative impact on the level of business confidence in the activities of socially oriented nonprofit organizations. Private commercial enterprises sometimes have a negative experience of interacting with SONPOs, as a result of which, taking into account the competition of motives with the coincidence of fields of activity, stereotypes are formed and maintained against employees of nonprofit organizations (unsuccessful self-realization in the main professional field of activity).

The problems of the unformed reputation capital of socially oriented nonprofit organizations are closely related to the **barriers of the internal environment**. Based on the results of the study, we can say these barriers include the following problems.

1. Poor management quality. It is largely due to the insufficient level of competence of SONPO representatives, manifested in a low level of legal,

financial literacy and managerial abilities of managers, which entails, among other things, overexploitation of resources. Most organizations focus on the implementation of short-term social projects and do not form a long-term development strategy. In addition, as a rule, an internal assessment of the effectiveness of activities is not carried out due to the lack of clear criteria. Among the most common in practice are the number of participants or beneficiaries and the number of events held. This is partly due to the lack of internal motivation and administrative resources for the preparation of reports (too many documents required, high frequency of reporting, variability of requirements), as well as the conviction that the indicators requested by the donor are not always able to reflect the real results of the work. Thus, many SONPOs face personnel problems related to staff turnover and difficulties in attracting volunteers, complexity of their training, inability to form a permanent volunteer corps, and a lack of a system for their encouragement.

2. The low level of qualification of employees is also manifested in the low level of innovation in SONPO activities. The lack of experience and necessary competencies to write projects and express the uniqueness and innovativeness of the proposed initiative leads to the fact that SONPOs mainly reproduce a stereotypical model of functioning: they do not diversify sources of financing, focus mainly on budgetary funds (grants, subsidies, etc.) and are poorly interested in participating in competitions. An additional difficulty is the low level of communication between SONPOs and government authorities and representatives of business structures due to personal factors of the representatives (age, proficiency in working with modern technologies, psychological limitations, etc.): *“There is no constructive approach ... you are looking for an opportunity to find a dialogue with this or that organization” (municipal authority representative).*

As follows from the details of the barriers we have identified, they are closely interrelated, thus requiring an integrated approach to their elimination based on an effectively built system of intersectoral cooperation. The study showed that the potential of SONPOs for the sustainable development of the region is underestimated by government representatives. Preference is given to the traditional vision of priority areas and forms of support for SONPO activities, specified in federal and regional legislation (*“Financial support is provided to one nonprofit organization, which is listed under Federal Law 7” (municipal authority representative); “This is all embedded in the program “Culture of Bolshesosnovsky Municipal District” (municipal authority representative).*

Thus, promoting the activities of socially oriented nonprofit organizations requires improving the conditions for their stable development as an active subject of the regional economy. Taking into account the expert opinions of representatives of government, business and SONPO executives, it is important to identify key areas that will contribute to the effective implementation of SONPO functions on a system-wide and long-term basis. In our opinion, these should include activities focused on the formation of competencies for economically sustainable activities and SONPOs reputation capital, reducing administrative barriers, and developing intersectoral and intrasectoral partnerships. It seems that the set of measures for the development of SONPOs as active subjects of the regional economy should include the development of a mechanism for their

implementation, including the improvement of the current regulatory framework for the activities and support of SONPOs, adoption of special targeted programs and laws of direct and indirect action, formation of a system for monitoring the performance indicators of SONPOs, which allows determining the effectiveness of solving problems limiting the use of the sector’s potential in the region. The development of such a set of measures may be the aim of another study.

Conclusion

Summing up, we note that in modern socio-economic conditions, the increase in the implementation of the functions of socially oriented nonprofit organizations in the regions is becoming relevant. Research shows that SONPOs can act as one of the system-forming factors in regional development, since they provide targeted social support and improve the quality of social services for vulnerable population groups. At the same time, at the present stage of development, the use of the potential of socially oriented nonprofit organizations is limited due to the numerous problems they face. The results of the qualitative sociological research made it possible to detail and systematize the identified barriers that prevent more effective involvement of SONPOs in the economy of the Perm Territory and reflect the conditions created for the development of such organizations. A promising direction for our further research is to complete a full cycle of strategic planning for the development of SONPOs in the Perm Territory, integrated with specific goals and indicators of socio-economic development in the region.

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