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Associations in Transition: The Business of Russian Civil Society

ABSTRACT

What characteristics of professional and business associations determine their organizational activities in the context of Russia’s political transition? While most research focuses on human service nonprofits, professional business associations constitute a significant component of the Russian nonprofit sector. In particular, this paper investigates the influence of organizational determinants on the relative importance of advocacy, community building, and service delivery within professional associations. Data for this study were collected from 215 professional and business associations throughout Russia. The study verifies multifunctional nature of associations and confirms that advocacy remains the highest priority activity of professional associations embedded in the transitional environment. Applying Dirichlet regression, the study finds that organizational size and a specific agency type positively influences community building function. Moreover, our findings indicate that compulsory membership negatively affects service delivery and community building functions, whereas presence in social media has a positive effect on both of these functions fulfilled by Russian associations.

Keywords:
Nonprofits’ functions, professional and business associations, compositional data, Dirichlet regression, Russia

INTRODUCTION

Even though mutual benefit associations were of interest to scholars of the nonprofit sector for a long time, they have long remained at the periphery of research activity on nonprofits (O'Neill 1994). Despite the appeal of Smith (1991) regarding the groundless
expulsion of membership associations from mainstream research on the nonprofit sector, so far there has been no progress on the systematic study of mutual benefit associations. In their conceptual work, Knoke (1986) and Tschirhart (2006) point out scientific immaturity in the field of associational studies. Empirical research with focus on professional and business associations is rare within the non-profit research program. Exceptions are research papers that answer specific questions: Haynes and Gazley (2011) investigate how professional associations contribute to public sector professionalism. More recently, a patchwork of empirical studies, such as that by Gazley (2013) investigates volunteer commitment in professional associations. Esparza, Walker and Rossman (2014) analyze which role trade associations play in legitimizing new industry. Hager (2014) investigates public and private incentives of member participation.

The reason why professional and business associations remain at the outskirts of the non-profit research is partly due to the fact that they are seldomly perceived as important civic actors but rather as a product of professional and market logics. Therefore, professional and business associations are predominantly analysed in the sociology of professions (Brockman 1998; Conell and Voss 1990; Greenwood, Suddaby, and Hinings 2002; Chua and Poullaos 1998; Neal and Morgan 2000; Scott 2008; Thomas et al. 2012) or of for-profit organizations (Aldrich et al. 1994; Barnett 2013; Barringer and Harrison 2000; Gupta and Lad 1983; Lenox and Nash 2003; Reveley and Ville 2010).

Within this marginalized research field, empirical studies on professional and business associations (PBAs) in transition environments\(^1\) are even fewer. Again, the prevailing perspectives are those of the sociology of professions (Mersiyanova, Cheshkova, and Krasnopol'skaya 2011; Moskovskaya et al. 2013), political theories of institutional channels of representation (Duwanova 2011) and economic theory of collective action (Pyle 2006;  

\(^1\) Countries in transition (or alternatively named here as transition environments) are defined as countries transforming their economy and institutions, from a centrally planned, “socialist” state to a market based economy.
Yakovlev et al. 2010). Thus, a considerable lack of research on PBAs in Russia is not surprising, though, according to Mersiyanova’s assessments (2010), PBAs account for 14% of all Russian nonprofit organizations (NPOs) and compose the fourth largest group of NPOs in Russia. Only NPOs active in social services (22%), arts and culture (17%) and advocacy and interest representation (17%) are more widely represented in Russia. Given PBAs’ potential impact on building civil society in transition societies, PBAs will be in the focus of this paper. Russian PBAs are distinctive as they have not been imposed from abroad by technical assistance projects, sponsored by Western donor nations and their foundations starting from the 1990s. Rather, they appeared naturally, either dating back to Imperial Russia or Soviet Russia, or developing along with new institutions in the aftermath of the dissolution of the Soviet Union. Contrary to Crotty, who argues that most Russian NPOs “failed to either hold the state to account or reach out to the wider public” (2014, 7), we optimistically suppose that professional and business associations could be regarded as a springboard for organized civil society development in Russia.

The purpose of this paper is to examine empirically factors that determine the composition of functions that Russian PBAs fulfil in the context of transition. Therefore we apply an integrated theoretical framework of NPOs’ functions that differentiates between service delivery, advocacy and community building functions (Neumayr et al. 2009). This framework on the organizational micro-level allows us to employ an analytical toolbox of multiple functions that a single NPO fulfils. This paper aims to enhance our understanding of how organizational factors affect performance of functions by PBAs in a particular transition environment. We begin with an overview of the integrative framework of NPOs’ functions and predictors of their performance. Next, we show how the empirical investigation of the functions of PBAs was conducted in Russia. Using a unique compositional dataset, we
conduct a Dirichlet regression analysis, which reveals determinants of the relative importance of PBAs’ functions. Conclusions are then drawn.

**THEORETICAL FRAMEWORK**

The integrative theoretical framework used for this study for measuring nonprofit organizations’ functions comprises three clearly defined functions: service delivery, advocacy, and community building (Neumayr et al. 2009). This framework is theory-grounded (Handy 1990; Frumkin 2005; Zimmer 2007; Backhaus-Maul and Langner 2014) and builds on earlier representations of the third sector in society, e.g. the “welfare triangle” (Pestoff 1998), its modified version in “the welfare mix” (Evers and Laville 2004) and the triangle on functions of civil society (Then and Kehl 2011). This framework implies that each NPO performs activities and tasks which contribute to either one, two, or all three of these core functions. It also assumes that NPOs are multi-functional (Zimmer 2007) and contribute simultaneously to up to three different functional subsystems but to varying degrees. To better illustrate this, the concept is displayed in a triangle shape with nonprofits’ three main functions located at its corners (see Figure 1). The functions are further connected to three corresponding functional subsystems of society – economic, political and communitarian (Neumayr et al. 2009).

**Figure 1. The conceptual framework of nonprofits’ functions as contributions to societal subsystems**
Figure 1 represents a conceptual triangle, where each function is coupled with the corresponding societal subfield. These subfields in turn give a rough visual representation of the nonprofit sector’s functional capacity to serve as an institutional infrastructure of organized civil society. This conceptual model shows that any communication, decision or action carried out by various types of NPOs could be assigned to any of the main functions – service delivery, community building and advocacy, which contributes to one, two or all three functional subsystems of society. Such an approach points out the hybrid nature of organizations constituting nonprofit sector. They lie at the intersection of the three different logics that underpin the economic, political and communitarian subsystems of society.

In this study we are proceeding from the lack of any prior quantitative studies, which simultaneously operationalize the multifunctional nature of nonprofit organizations and examine the influence of different organizational factors on the composition of functions that they perform. This could be explained by the fact that in the nonprofit research the predominant traditional approach to examining activities of NPOs is through assigning them either to a group of service providing, advocacy /expressive oriented or hybrid nonprofit

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2 The only exception is a qualitative investigation of a mixed set of organizational and environmental determinants of the five roles (service, innovation, advocacy, expressive and community building) of nonprofit organizations conducted in the framework of the John Hopkins Comparative Nonprofit Sector Project (Chinnock and Salamon 2002).
organizations (Minkoff 2002). This assigning is made, based on the assumption that only one function (service or advocacy) or a combination of two of them shapes activities of NPOs. For instance, NPOs active in the field of housing, social services, education and health care are assigned to a group of service providing NPOs, while NPOs active in sports and recreation, arts and culture, interest representation and advocacy are united as a group of expressive oriented NPOs (Salamon et al. 2013). Lately, the category of hybrid type of nonprofits, combining service and advocacy activities became widely used (Minkoff 2002). However, there are hardly any studies, apart from the studies on the nonprofit sector in Austria and the Czech Republic (Neumayr and Meyer 2010; Neumayr et al. 2009), where the multifunctional nature of nonprofits has been operationalized and tested empirically. Thus, in this paper we are taking a different approach to examining the three central functions of NPOs, by using the conceptual framework of nonprofits multifunctionality, which allows examining advocacy, service delivery and community building functions of nonprofits at the same time.

In attempts to find out which factors influence fulfillment of functions by nonprofits, we find evidence with respect to one function at a time. The most popular function of nonprofits that researchers study in terms of finding its predictors is advocacy (Donaldson 2007; Guo and Saxton 2013; Schmid, Bar, and Nirel 2008; Almog-Bar and Schmid 2013). Among the organizational factors that determine advocacy behavior of NPOs researchers identify: type of agency, agency size, mission, functions and staff expertise (Gibelman and Kraft 1996); organizational structures, financial resources, good leadership, and active constituencies (De Vita et al. 2004); organizational size, age, staff and volunteer capacity, money (McCarthy and Castelli 2002; Reid 2006; Bass et al. 2007); field of activity, relationship with government and trust (Chinnock and Salamon 2002). Recently, there is a growing recognition in the literature that the use of social media, such as Facebook, Twitter,
Linkedin, Youtube and others contributes to the advocacy activities of nonprofit organizations (Guo and Saxton 2013).

In other words, advocacy activity of nonprofit organizations depends on the availability of limited resources, including, time, staff, members, volunteers, technology and money. Investigators of advocacy activities argue that nonprofits with greater available resources, which are expressed through their larger organizational capacity in terms of staff, volunteers or budgets, are more likely to be involved in more advanced continuing advocacy activities than nonprofits with fewer resources (De Vita, Mosher-Williams, and Stengel 2001; Berry 2003; Minkoff 1998; Chinnock and Salamon 2002). However, as Donaldson (2007, 143) argues the only finding that these studies agree upon is “a positive correlation between agency size and advocacy behavior”. As we have seen, most of the prior research on determinants of nonprofits advocacy function draws on the neo-institutional theory (Meyer and Rowan 1977), resource mobilization theory (McCarthy and Zald 1977) and resource dependence theory (Pfeffer and Salancik 2003) as conceptual frameworks that explains how organizations are embedded in their contexts and constrained by the availability of resources and pressure from institutional expectations and regulations. The same set of theories is applied to explaining the factors influencing service and community building functions of nonprofits.

In the current study we investigate how the relative importance of functions – advocacy, service delivery and community building – that PBAs perform is determined by the select3 organizational factors – size, type of agency, type of membership and presence in social media. Since our previous research, based on the same dataset, has shown that advocacy function is the most important function for PBAs operating in transitional environment of Russia (Ivanova 2013), which is also in line with the common knowledge that

3 We had a larger set of predictors, available from the survey on the Russian PBAs, but only selected statistically significant predictors were used to formulate the hypotheses.
advocacy constitutes the core activities for this type of nonprofits working in stable institutional settings, we used advocacy function as a reference category, in order to investigate how the relative importance of the other two functions – service delivery and community building – is changing under the influence of the select organizational factors.

What makes this paper different from prior research is its attempt to investigate how organizational factors influence implementation of not only one central function of nonprofit at a time (service or advocacy), but of the relative importance of three central functions (service, advocacy and community building), performed by professional and business association at the same time. The proposed theoretical framework on the multifunctionality of nonprofits, together with the explanations derived from prior research findings on the predictors of functions that nonprofit organizations perform, as well as a knowledge of the context specific typology of professional and business associations in Russia (Ivanova 2013), provided the basis for the following research hypotheses, which we summarized in Table 1.

**Table 1. Hypotheses: organizational predictors of PBAs’ functions**

<table>
<thead>
<tr>
<th>Predictors / Functions</th>
<th>Service vs. Advocacy</th>
<th>Community Building vs. Advocacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>↑ Organizational Size (members) H1: ↑</td>
<td>H2: ↑</td>
</tr>
<tr>
<td><strong>Type of agency</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liberal Professional Society vs. Business Association</td>
<td>H3: ↓</td>
<td>H4: ↑</td>
</tr>
<tr>
<td>Intermediary Union vs. Business Association</td>
<td>H5: ↑</td>
<td>H6: ↓</td>
</tr>
<tr>
<td><strong>Type of membership</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compulsory Membership vs. Voluntary Membership</td>
<td>H7: ↓</td>
<td>H8: ↓</td>
</tr>
<tr>
<td><strong>Presence in Social Media</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Presence in Social Media vs. No presence in Social Media</td>
<td>H9: ↑</td>
<td>H10: ↑</td>
</tr>
</tbody>
</table>

Source: Russian PBA-Survey, 2013

**Size.** We assume that the greater organizational capacity of PBAs, expressed in the size of organizational membership, will positively affect fulfilment of service delivery and community building functions in relation to advocacy activity.

H1: With reference to advocacy activity, the relative importance of service delivery is increasing with the increasing size of an association.
H2: With reference to advocacy activity, the relative importance of the community building is increasing with increasing size of an association.

**Type of agency.** Based on the prior knowledge of types of PBAs in Russia (Ivanova 2013), we have chosen business associations (BA) to be a reference category for comparison purposes, since its organizational characteristics (age and size) lay in between two other types of PBAs – liberal professional societies (LPS) and intermediary unions (IU). We suppose that for more mature and institutionally embedded LPSs in comparison with rather young and less embedded BAs, service delivery will be less important than advocacy activity, whereas community building will be more important than advocacy activity. In comparing mature and well embedded IUs with rather young and less embedded BAs, we assume that for the former service delivery will be more important than advocacy, while community building will be less important than advocacy activity.

H3: With reference to business associations, liberal professional societies are less involved in service delivery than in advocacy activity.

H4: With reference to business associations, liberal professional societies are more involved in community building than in advocacy activity.

H5: With reference to business associations, intermediary unions are more involved in service delivery than in advocacy activity.

H6: With reference to business associations, intermediary unions are less involved in community building than in advocacy activity.
**Type of membership.** We assume PBAs with compulsory membership⁴ in comparison to older and more institutionally established PBAs with voluntary membership, will be less involved in either service delivery or community building activity than in advocacy activity.

H7: With reference to associations with voluntary membership, for associations with compulsory membership the relative importance of service delivery is decreasing in comparison to the relative importance of advocacy activity.

H8: With reference to associations with voluntary membership, for associations with compulsory membership the relative importance of community building is decreasing in comparison to the relative importance of advocacy activity.

**Presence in social media.** We anticipate that PBAs with presence in social media in comparison to PBAs who are not using this communication technology will be showing an increased involvement either in community building or service delivery than in advocacy activity.

H9: With reference to associations not presented in social media, for associations with presence in social media the relative importance of service delivery is increasing in comparison to the relative importance of advocacy activity.

H10: With reference to associations not presented in social media, for associations with presence in social media the relative importance of community building is increasing in comparison to the relative importance of advocacy activity.

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⁴These PBAs represent a small share of business associations with compulsory membership, founded in accordance with the Federal Law on Self-Regulated Organizations in 2007 (No 315-FZ dated 04.12.2007), which enabled self-regulation in such fields as auditing, evaluation, advertising, architectural engineering, heat supply, and law.
METHODS & DATA

Neumayr’s (2009; 2010) works combined a robust theoretical framework on functions of NPOs with a convincing empirical operationalization in the developed and transition context. Since this constitutes the only systematic approach to measuring functions of NPOs, it has served as a major reference point for the current study. For our study we collected organizational data in order to examine the influence of a set of factors on the composition of functions performed PBAs\(^5\). We employed a quantitative research design for this empirical study. It is based on survey data that were collected between December 2012 and February 2013. The survey addressed top executives of PBAs and aimed to collect organizational data. The questionnaire used was adopted from Neumayr et al. (2009), in order to make it applicable to the specific features of PBAs. While the first part of the questionnaire explored organizational demographics (organizational age, number of stuff, number of members, field of activities, type of union, governance structure, territorial span, type of membership, presence in social media, key performance indicators), the second part investigated functions that PBAs perform and their relative importance for the organization. The key questions referring to the functions of NPOs strongly correspond to Neumayr’ study. The survey invitations were personalized and distributed only by means of email. A total of 215 highest level staff members (primarily executive directors) provided valid survey responses (response rate: 11%, 215 of 2.000). We could not claim that we have achieved a representative sample of the responding PBAs in relation to the initial sample. It appears that the more publicly visible associations were more likely to participate in the survey. Since the survey was conducted in Russian by a Russian-native researcher operating from an established Viennese university, it was possible to win the trust of the potential respondents and motivate them to take part in this research project.

\(^5\) This study is part of a bigger mixed methods research project, carried out in the framework of Ekaterina Ivanova’s dissertation (2015).
Sample

For the survey of executives of PBAs we designed a purposive sample of 2,000, combining the modal instance and heterogeneity sampling approaches. The sample was designed to be representative of the population of actively operating PBAs through all federal districts of Russia. Due to technical problems associated with the diverse forms of PBAs’ incorporation, it was impossible to generate a list of such organizations on the basis of the national register of all NPOs, which is administered by the Ministry of Justice of the Russian Federation. For this reason we decided to choose the list approach (Grønbjerg, Liu, and Pollak 2010) for the construction of a sample database, because it was easy to obtain the available lists of the existing PBAs. To implement the list approach, we developed a single database from multiple sources that already included lists of the targeted organizations. The major sources that we used included the lists of the central and regional offices of the umbrella PBAs from the official registry of the Russian Ministry of Justice, as well as the registries of online resources devoted to activities of NPOs in Russia. We are aware that we cannot claim that all visible PBAs in Russia have been found, but we believe that the organizations that later took part in the survey provide a quite exhaustive picture of the organizational ecology of PBAs across the country.

In order to minimize the potential selection bias the sampling was performed according to several preconceived filters. For the purpose of entering the sample of PBAs a NPO shall be said to correspond to the following initial selection requirements: (1) being a membership-based organization, (2) being engaged in representing professional- or business-related fields of activities and (3) being active, and recognized as such by different sources, throughout the period of study. A combination of modal instance and heterogeneity sampling approaches was considered as the best possible alternative since parameters of the Russian
population of PBAs were unknown. By combining these opposite methods, we were trying to capture the most typical organizations, and to identify the broad spectrum of PBAs.

**Dependent variables: composition of PBAs’ functions**

In order to get a comprehensive picture of the composition of functions that PBAs fulfil – service, advocacy and community building, we applied a specific procedure to measuring dependent variables (compare Neumayr et al. 2009). A particular mode of operationalization was used, where one indicator for each of the functions of PBAs was used to measure the composition and relative importance of functions performed by PBAs. Thus, this way of measuring functions of PBAs delivered compositional data, which represent components as a percentage of a total (Maier 2014). Respondents were asked to evaluate their activities in terms of organizational goals. The question, therefore, consisted of three statements about organizational goals, listed in Table 2. Respondents were asked to indicate the importance of the individual statements by allocating a total of 100 points between the three statements, giving more points to higher priorities. An overall score for each of the three functions was calculated as a mean value of the sum of the corresponding individual values for each function.

**Table 2. The functions of PBAs, measured in organizational goals**

<table>
<thead>
<tr>
<th>Statement</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>We are representing our member’s interests.</td>
<td></td>
</tr>
<tr>
<td>We are providing services.</td>
<td></td>
</tr>
<tr>
<td>We are bringing people together.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Russian PBA-Survey, 2013
Note: Respondents were asked to allocate 100 points among the three statements, assigning more points to organizational goals of higher priority.

**Independent variables: organizational predictors**

According to the formulated hypotheses we operationalized a number of independent variables. The first of them – organizational size in members – represent a continuous
variable, the rest – type of agency, type of membership and presence in social media – are categorical variables.

(1) **Organizational size.** Organizational size, represented through the number of members, is an important indicator for the evaluation organizational capacity. This continuous variable was measured by asking the respondents to indicate the number of members, enrolled in their organization.

(2) **Type of agency.** Type of agency represents a compound variable, which was built using the same dataset, as in the present study by means of a two stage cluster analysis (Ivanova 2013). PBAs were clustered into three distinct types, differentiating between business associations (BA), intermediary unions (IU), and liberal professional societies (LPS).

(3) **Type of membership.** Since according to the defining characteristics of nonprofit organizations (Salamon and Anheier 1997a) compulsory membership contradicts the voluntary membership criteria, this type of PBA does not meet the formal requirements of being considered a NPO. However, according to Russian legislation (Law on Self-Regulated Organizations No 315-FZ dated 04.12.2007), self-regulated organizations are treated as a legitimate type of nonprofit organization. Even though membership in such self-regulated organizations is compulsory, potential members have a right to choose which self-regulated organizations they want to join. Thus there is an element of voluntary involvement, which enables us to include in the analysis business associations with compulsory membership. This variable was measured by asking the respondents to indicate whether their organization has a voluntary or compulsory membership.

(4) **Presence in social media.** The respondents were asked to evaluate how actively they are presented in such social media, as Facebook, Twitter, Life Journal, You
Tube, LinkedIn, V Kontakte. They were asked to rate on a 5-point Likert scale their activity in social media, as either “very actively”, “actively”, “rather passively”, “passively” or “not presented at all”. For the statistical analysis of this categorical variable, we merged all 6 venues of activity on social media together and converted the 5-point Likert scale into a dichotomous variable, differentiating between two groups, grouping together the first four categories, indicating activity in social media (either “very actively”, “actively”, “rather passively”, “passively”) and leaving without changes the second group (not presented at all), indicating no activity on social media.

**Analysis of compositional data**

The multi-functional nature of PBAs is addressed through analysis of the compositional data, which was collected by means of a survey. A Dirichlet multi-variable regression method is further used for modelling compositional data on PBAs’ functions and their determinants. The application of this method helps to assess the effects of predictors (organizational size, type of agency, type of membership and presence in social media) on the relative contributions of different components of a measure (functions of PBAs). The full model for the Dirichlet regression was found by eliminating insignificant precision parameters, while all mean terms were kept. That is the starting point from which terms were deleted until we could not delete any more without significantly worsening the model fit. We then altered the full model, which resulted in the modified model of the Dirichlet regression

In order to build a regression model we first had to select predictors, which produce statistically significant effects. For this purpose, we run the Likelihood ratio tests for the full model with a set of select predictors from the survey and for a modified model. Based on the results of these tests, presented in Table 3, we selected four predictors – organizational size, type of agency, type of membership and presence in social media – with statistically
significant effects in the modified model for further regression analysis. Predictors that produced no statistically significant effects – organizational age, scale of operations, governance structure and grants from the government – were excluded from further regression analysis.

Table 3. Results of Log-Likelihood tests for Dirichlet regression: Factors, predicting the relative importance of functions of PBAs

<table>
<thead>
<tr>
<th>Variables / LR statistic</th>
<th>Full model</th>
<th>Modified model</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Predictors with effect</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Size in members (log)</td>
<td>No</td>
<td>7.52* (df = 2)</td>
</tr>
<tr>
<td>Type of agency (BA/ IU / LPS)</td>
<td>25.53***</td>
<td>28.73*** (df = 4)</td>
</tr>
<tr>
<td>Type of membership (voluntary/compulsory)</td>
<td>No</td>
<td>28.73*** (df = 2)</td>
</tr>
<tr>
<td>Presence in social media (yes/no)</td>
<td>19.03***</td>
<td>24.42*** (df = 2)</td>
</tr>
<tr>
<td><strong>Predictors with no effect</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age (log)</td>
<td>No</td>
<td>-</td>
</tr>
<tr>
<td>Scale of operations (local/global)</td>
<td>No</td>
<td>-</td>
</tr>
<tr>
<td>Governance structure (autonomous/umbrella)</td>
<td>No</td>
<td>-</td>
</tr>
<tr>
<td>Grants from the government (yes/no)</td>
<td>No</td>
<td>-</td>
</tr>
<tr>
<td>Number of Obs.</td>
<td>170</td>
<td>170</td>
</tr>
</tbody>
</table>

Note: *** Significant at the 0.1% level, ** 1% level, * 5% level.
Source: Russian PBA-Survey, 2013

We used compositional data as a preferred approach, since these “nonnegative proportions with unit sum” (Hijazi and Jernigan 2009), can be analysed using log-ratio analysis to model compositional data, as introduced by Aitchison (1982, 1986). To implement Aitchison’s method we used R package DirichletReg for compositional data analysis (Maier 2014). The advantage of Dirichlet regression models is that they can be applied to “analyse a set of variables lying in a bounded interval that sum up to a constant (e.g., proportions, rates, compositions, etc.) exhibiting skewness and heteroscedasticity, without having to transform the data” (Maier 2014, 1). Moreover, the framework similar to generalized linear model is set up through application of appropriate link-functions, which allow analysing compositional
data in a straightforward way, since interpretation is analogous to the familiar multinomial logistic regression. We used the alternative parametrization, which allows for modelling ‘means’ and ‘dispersion’ in the Dirichlet distribution, therefore heteroscedasticity is explicitly taken into account (Maier 2014).

Since we examined three functions of PBAs, for which the means must always sum up to 100%, we employed a multinomial logit strategy, as in multinomial regression (Maier 2014). To model the relationship between the composition of functions and influencing factors, we used the Dirichlet regression modeling means and precision. In order to run this procedure, one variable had to be omitted (as in multinomial regression) and we chose advocacy to be the reference variable. We fitted a Dirichlet regression model using the alternative parametrization, as in Maier (2014). The data was prepared using the R package DirichletReg.

**FINDINGS**

**Descriptive statistics**

As Table 4 suggests, the average organization that took part in the survey is 21.92 years old (min: 1; max: 168) and has an average of 11.87 full-time staff (min: 0; max: 100). The question of organizational age was easy for respondents to answer, while organizational size appeared difficult to address. Almost 40 respondents could not provide data on the number of employees in their organization. Moreover, 15% of surveyed PBAs indicated that they have no full-time employees, which shows that a small proportion of PBAs are managed on a voluntary basis. The majority of PBAs have a rather small permanent staff: slightly over half of PBAs (50.9%) reported that they have from 1 to 8 full-time employees. With respect to number of members, the average membership size of surveyed PBAs amounts to 3113 members, but since there is one outlier in the sample (max: 320000) the more realistic picture of the most typical number of members gives median of 130 members.
For the majority of the responding organizations, the most important field of activity is participation in advocacy, which takes half of their organizational resources: 50.04%. The second important area of activities for PBAs is community building, which accounts for slightly less than a third of organizational resources: 29.74%. According to respondents, the least important function of PBAs is service delivery, which is responsible for less than a quarter of organizational resources: 20.22%.

**Table 4. Descriptive statistics: numerical variables and compositional data**

<table>
<thead>
<tr>
<th>Variable</th>
<th>N of Obs</th>
<th>Mean</th>
<th>Median</th>
<th>SD</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age (years)</td>
<td>215</td>
<td>21.92</td>
<td>13</td>
<td>27.949</td>
<td>1</td>
<td>168</td>
</tr>
<tr>
<td>Number of staff</td>
<td>175</td>
<td>11.87</td>
<td>5</td>
<td>17.867</td>
<td>0</td>
<td>100</td>
</tr>
<tr>
<td>Number of members</td>
<td>210</td>
<td>3113.68</td>
<td>130</td>
<td>25295.68</td>
<td>2</td>
<td>320000</td>
</tr>
<tr>
<td>Advocacy (goals)</td>
<td>211</td>
<td>50.04</td>
<td>50</td>
<td>25.652</td>
<td>0</td>
<td>100</td>
</tr>
<tr>
<td>Community building (goals)</td>
<td>211</td>
<td>29.74</td>
<td>30</td>
<td>22.100</td>
<td>0</td>
<td>100</td>
</tr>
<tr>
<td>Service delivery (goals)</td>
<td>211</td>
<td>20.22</td>
<td>15</td>
<td>18.490</td>
<td>0</td>
<td>70</td>
</tr>
</tbody>
</table>

Source: Russian PBA-Survey, 2013 (N=215)

With respect to categorical variables, presented in Table 5, most of the surveyed PBAs have a voluntary membership (89%), as opposed to a small group of BAs, already discussed above, that have a compulsory membership (11%). In terms of presence in the social media (Facebook, Twitter, Life Journal, You Tube, LinkedIn, V Kontakte) half of the respondents indicate such activity, while another half has no activity in any of the social media.

**Table 5. Descriptive statistics: categorical variables**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of membership</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voluntary</td>
<td>192</td>
<td>89</td>
</tr>
<tr>
<td>Compulsory</td>
<td>23</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>215</td>
<td>100</td>
</tr>
<tr>
<td>Presence in social media</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>89</td>
<td>50</td>
</tr>
<tr>
<td>No</td>
<td>90</td>
<td>50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>179</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Russian PBA-Survey, 2013 (N=215)
For our analysis we are also using a compound variable on the typology of PBAs that distinguishes between business associations (BA), intermediary unions (IU), and liberal professional societies (LPS), which we will briefly introduce here (see Table 6). BAs represent the real and service sectors of the economy, are relatively young (on average 10 years), have a moderate number of paid employees (on average 13 people), combine voluntary (76%) and compulsory (24%) membership, and have primarily collective members (78%). IUs exist to support business and entrepreneurs, represent rather aged organizations (on average 15 years), employ a sizable paid staff (on average 20 persons), and have exclusively voluntary membership that is predominantly collective (87%). LPSs unite representatives of culture, healthcare, science and education. They are the oldest type of association (on average 41 years) and demand the least personnel (on average 3 persons). The membership is voluntary only and primarily individual (96%). Due to their varying historical paths, there are differences between more dynamic and future oriented BAs, realistic IUs and more cautious traditionalist LPSs (Ivanova 2013).

Table 6. Types of professional and business associations in Russia

<table>
<thead>
<tr>
<th>Type of PBAs</th>
<th>Fields of activity</th>
<th>Age</th>
<th>Staff</th>
<th>Type of membership</th>
<th>Form of membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liberal Professional Societies</td>
<td>Culture, Healthcare, Science and Education</td>
<td>Maturity</td>
<td>Very Small</td>
<td>Voluntary</td>
<td>Individual (mostly)</td>
</tr>
<tr>
<td>Business Associations</td>
<td>Real Sector of Economy &amp; Services</td>
<td>Youth</td>
<td>Small</td>
<td>Voluntary/Compulsory</td>
<td>Collective (mostly)</td>
</tr>
<tr>
<td>Intermediary Unions</td>
<td>Supporting Business and Entrepreneurship</td>
<td>Adult-hood</td>
<td>Average</td>
<td>Voluntary</td>
<td>Collective (mostly)</td>
</tr>
</tbody>
</table>

Note: The typology has been built through the two stage cluster analysis (Ivanova 2013).
Determinants of the composition of PBAs’ functions

By applying the Dirichlet regression, we were able to test the hypotheses on the effects of the select organizational factors on the relative importance of functions that PBAs fulfill. The findings are illustrated in the Table 7 that shows, which hypotheses yielded statistically significant results and which did not. We will now discuss the findings with respect to each of the determinants of PBAs’ functions (see Appendix 1 for the detailed parameters of the Dirichlet regression of the organizational effects on the composition of PBAs’ functions).

Table 7. Results of hypotheses’ testing: organizational predictors of PBAs’ functions

<table>
<thead>
<tr>
<th>Predictors / Functions</th>
<th>Service vs. Advocacy</th>
<th>Community Building vs. Advocacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>↑ Organizational Size (members)</td>
<td>H1: ↑ -</td>
</tr>
<tr>
<td>Type of agency</td>
<td>Liberal Professional Society vs. Business Association</td>
<td>H3: ↓ -</td>
</tr>
<tr>
<td></td>
<td>Intermediary Union vs. Business Association</td>
<td>H5: ↑ -</td>
</tr>
<tr>
<td>Type of membership</td>
<td>Compulsory Membership vs. Voluntary Membership</td>
<td>H7: ↓ *</td>
</tr>
<tr>
<td>Presence in Social Media</td>
<td>Presence in Social Media vs. No presence in Social Media</td>
<td>H9: ↑ **</td>
</tr>
</tbody>
</table>

Note: *** Significant at the 0.1% level, ** 1% level, * 5% level.
Source: Russian PBA-Survey, 2013

In order to better interpret the findings of the Dirichlet regression we took the graphical approach and plotted the composition of PBAs’ functions against its determinants, which allows us to visualize all predictors of the composition of PBAs’ functions at the same time (see Figure 2).

Figure 2. Organizational effects on the composition of the relative importance of PBAs’ functions
A. Business Associations (voluntary)

B. Business Associations (compulsory)

C. Liberal Professional Societies (voluntary)

D. Intermediary Unions (voluntary)


Organizational size

Hypothesis 1 and 2 deal with the effect organizational size, measured in number of members, on the relative importance of service delivery and community building functions in relation to advocacy activity. We were able to test these hypotheses by applying the Dirichlet regression (for the model’s parameters, see Appendix 1). As Table 7 shows, there is a statistically significant positive effect of the organizational size on the relative importance of
the community building function, but no such affect for the service function. Thus, hypothesis 1 is rejected and hypothesis 2 is supported.

**Type of agency**

Hypotheses 4, 5, 6 and 7 concern the effect of belonging to a specific type of agency, where business associations were used as a reference category for comparison with liberal professional societies and intermediary unions, on the relative importance of service delivery and community building functions in relation to advocacy activity. The results of testing these hypotheses by applying the Dirichlet regression (for the model’s parameters, see Appendix 1) are shown in Table 7. Only hypothesis 4 is supported, while hypotheses 3, 5 and 7 are rejected. Thus, there is a statistically significant effect of belonging to LPSs, which shows that this type of agency in comparison to BAs has a positive effect on the community building function (H4) in relation to advocacy activity. We did not find a statistically significant effect of belonging to intermediary unions in comparison to business associations, which would produce a negative effect on the community building function (H6). No statistically significant effects of agency type were found for the service delivery function (H3 and H5).

**Type of membership**

Hypotheses 7 and 8 deal with the effect of compulsory membership, which takes place within business associations in comparison to voluntary membership in other types of PBAs, on the relative importance of service delivery and community building functions in relation to advocacy activity. We tested these hypotheses by applying the Dirichlet regression (for the model’s parameters, see Appendix 1). As Table 7 shows, there is a statistically significant negative effect of the compulsory membership within business associations on the relative importance of the community building function and service delivery functions. Hypotheses 7 and 8 are supported.
**Presence in Social Media**

Hypotheses 9 and 10 concern the effect of organizational presence in social media in comparison to PBAs who are not using this communication technology, on the relative importance of service delivery and community building functions in relation to advocacy activity. The results of testing these hypotheses by applying the Dirichlet regression (for the model’s parameters, see Appendix 1) are shown in Table 7. According to these findings, there is a statistically significant positive effect of the presence in social media on the relative importance of the community building function and service delivery functions. Thus, hypotheses 9 and 10 are supported.

**CONCLUSION**

We started this study by pointing out that while civil society in Russia remains under-investigated, the share of people employed by PBAs makes this type of NPO the fourth largest employer in the Russian nonprofit sector. We successfully verified theoretical framework on multifunctional nature of nonprofits with organizational indicators rather than macro-indicators in the investigation of functions performed by Russian PBAs. By applying the Dirichlet regression, we were able to discuss the organizational determinants that influence the relative importance of the three functions that PBAs fulfill.

The present study showed that professional and business associations are multifunctional, fulfilling simultaneously advocacy, community building and service delivery functions, thus contributing in parallel to the political, economic and communitarian domains. The descriptive statistics indicated that advocacy is the most important function for Russian PBAs, thus constituting the prime source of their legitimacy. This finding was predictable since well-established associative life has traditionally been closely connected with politics in institutionally stable environments (Strachwitz 2014). However, since we were examining
associations in the transitional environment, we were not sure that advocacy will also be considered the main area of associational activity in the unstable institutional environment. With respect to the other two functions performed by PBAs, community building ranks as of secondary importance and service delivery as of tertiary importance; however, taken together they are as important as advocacy.

The regression analysis proved that organizational size, type of agency, type of membership and presence in social media are significant determinants of the composition of functions that PBAs perform. Given primacy of the advocacy function for PBAs, we were able to trace a positive influence that organizational size and belonging to LPSs has on fulfilment of the community building function. The findings of the study indicate that compulsory membership in business associations negatively affects their capacity to fulfil service delivery and community building functions. Finally, PBAs with presence in social media show greater involvement in both community building and service delivery functions.

This study makes several important contributions both to theory and practice. It is one of the first empirical investigations into the multi-faceted activities of NPOs in a transition society. As the literature review showed, the majority of studies have focused on the activities of NPOs in Western democratic states; little attention is paid to counties in transition, which have different political and cultural settings. The present study is arguably the very first attempt to test the theoretical framework of NPOs’ functions in the empirical setting of professional and business associations in Russia. It thus fills a void in current research on the functions of NPOs in countries in transition. Since this study has followed prior research in measuring key variables (e.g. advocacy, service delivery, and community building), we can compare some of the findings with those reported by other researchers. The comparison shows some similarities and differences between Russia (a transition country) and countries like Austria (a developed country) and the Czech Republic (a transition country) (Neumayr et
This study indicates that Russian PBAs, similar to their Western counterparts, perform all three key societal functions – advocacy, service delivery, and community building – that any nonprofit is expected to fulfill. Two thirds of Russian PBAs perform all three functions simultaneously; they are significantly more inclined toward multi-functionality than NPOs in Austria or the Czech Republic: only 10% of NPOs in Austria and 17% of those in the Czech Republic contribute to all three functions simultaneously (Neumayr and Schneider 2008). This pattern shows that professional and business associations demonstrate multifacetedness more distinctively than NPOs in general, even in the transition context. Thus, the role of professional and business associations in development of civil society in Russia is currently constrained to being a publicly acknowledged institutional infrastructure of civil society that promotes civic engagement. In this constellation associations are actors that take an active part in shaping discourse of policy and public debate and also serve as potential transmission mechanisms for the modernization of society.

The fact that the advocacy function was identified as the most important for PBAs in Russia was anticipated since public advocacy and policy advocacy are generally considered the most important functions of professional and business associations (Yakovlev and Govorun 2011). On the other hand, this finding somewhat contradicts Salamon and Anheier’s observation that authoritarian political regimes leave little room for the independent nonprofit sector (Salamon and Anheier 1997b). It appears either that the Russian political regime is not as authoritarian as claimed in the literature, or that the organized nonprofit sector represented by PBAs has functioned as a proponent of that regime and gained a certain degree of independence. It is true that in Russia’s political setting, similar to China’s authoritarian regime, advocacy-oriented NPOs are more heavily regulated than service-oriented NPOs are.

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6 In the Democracy Index (2013), compiled by the Economist Intelligence Unit to measure the state of democracy worldwide, countries are classified according to one of four regime types: full democracy, flawed democracy, hybrid regime, and authoritarian regime. Russia was placed in the hybrid regime category in 2006 (107 rank), 2008 (102 rank), and 2010 (102 rank), but it seems that democracy declined in 2011 (rank 117) and 2012 (rank 122) since Russia was moved into the authoritarian regime category (Wikipedia 2014).
(Zhang and Guo 2012). However, evidence suggests that this rule does not apply to PBAs. A study of nonprofit sectors in twenty post-communist states, including Russia, from 1991 to 1998 also demonstrated a strong link between democratization and development of civil society (Green 2002). PBAs, which represent market and labor relations, are viewed with far less suspicion by the authorities than human rights NPOs, potential “foreign agents” that seek to change the political regime in Russia. Thus, in these fields a more autonomous space is emerging in which organizations and citizens can not only participate in the political process but also advocate for social change by ultimately influencing government policy.

The limitations of this study suggest several paths for future research. First, the cross-sectional data used for this study is too limited to generalize the results, a study with longitudinal data would certainly be more preferable for the future research. However, these results, in addition to the findings of the Austrian-Czech survey, suggest some interesting patterns with regard to the distribution of functions performed by NPOs across different nonprofit regimes and call for more empirical research. It would be desirable to replicate the design of the present study and collect more data for the reliability check of our findings in different contexts. One way to do it could be through a quantitative study on a representative sample of NPOs in Russia and other countries in transition in order to explore two issues: which composition of functions their NPOs perform, and which factors determine the relative importance of functions across different types of NPOs as categorized internationally. Such an approach would be instrumental in assessing development of civil society in the transition context through the lens of a theoretical framework of NPOs’ functions at the organizational level. Moreover, it would allow researchers to empirically verify the argument that “the fundamental role of CSOs [civil society organizations] … is to produce, articulate, disseminate and defend values, ideas and ideology with the aim of attaining normative change” (Reuter, Wijkström, and Meyer 2014, 77).
The empirical setting for this study is Russia, the largest country in the world; it is
unique in many respects. The findings of this study could undoubtedly enhance our
understanding of the composition of societal functions that NPOs fulfill in a country
transitioning from communism to democracy. However, these findings must only cautiously
be generalized and applied to organizations of different cultural and political settings. Further
qualitative investigation of the successful cooperation between PBAs and the state is needed
in order to scale up the lessons learned from PBAs to NPOs in general; the latter have failed
to contribute to democratization in a sense of public participation in policy making.
Appendix.

Table A. Dirichlet Regressions of the organizational effects on the composition of PBAs’ functions

<table>
<thead>
<tr>
<th>Mean models</th>
<th>Reference category (variables omitted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advocacy</td>
<td></td>
</tr>
<tr>
<td>Service</td>
<td>β          SE(β)  z-value   p-value</td>
</tr>
<tr>
<td>Intercept</td>
<td>-1.241     0.163        -7.622 &lt; .001 ***</td>
</tr>
<tr>
<td>Centered log_{10}(Number of Members)</td>
<td>0.206      0.119        1.730   .084</td>
</tr>
<tr>
<td>Agency Type</td>
<td></td>
</tr>
<tr>
<td>Business Associations</td>
<td>0.000^a</td>
</tr>
<tr>
<td>Liberal Professional Societies</td>
<td>-0.138     0.218        -0.632   .527</td>
</tr>
<tr>
<td>Intermediary Unions</td>
<td>0.309      0.233        1.329    .184</td>
</tr>
<tr>
<td>Compulsory Membership</td>
<td>-0.743     0.308        -2.410   .016^ *</td>
</tr>
<tr>
<td>Presence in Social Media</td>
<td>0.506      0.168        3.013    .003 **</td>
</tr>
<tr>
<td>Community</td>
<td></td>
</tr>
<tr>
<td>Intercept</td>
<td>-1.187     0.163        -7.260 &lt; .001 ***</td>
</tr>
<tr>
<td>Centered log_{10}(Number of Members)</td>
<td>0.280      0.108        2.590    .010 **</td>
</tr>
<tr>
<td>Agency Type</td>
<td></td>
</tr>
<tr>
<td>Business Associations</td>
<td>0.000^a</td>
</tr>
<tr>
<td>Liberal Professional Societies</td>
<td>0.609      0.199        3.059    .002 **</td>
</tr>
<tr>
<td>Intermediary Unions</td>
<td>-0.258     0.236        -1.092   .275</td>
</tr>
<tr>
<td>Compulsory Membership</td>
<td>-1.091     0.304        -3.587   &lt; .001 ***</td>
</tr>
<tr>
<td>Presence in Social Media</td>
<td>0.799      0.165        4.839    &lt; .001 ***</td>
</tr>
<tr>
<td>Precision</td>
<td></td>
</tr>
<tr>
<td>Intercept</td>
<td>1.129      0.071        15.820 &lt; .001 ***</td>
</tr>
<tr>
<td>Centered log_{10}(Number of Members)</td>
<td>0.225      0.093        2.417    .016^ *</td>
</tr>
</tbody>
</table>

^a coded value provided for convenience

Log-likelihood: 251.6
Number of Parameters: 14
Number of Observations: 170
AIC: -475.1, BIC: -431.2

Note: *** Significant at the 0.1% level, ** 1% level, * 5% level.
References


Neumayr, Michaela, Michael Meyer, Miroslav Pospíšil, Ulrike Schneider, and Ivan Malý. 2009. "The Role of Civil Society Organizations in Different Nonprofit Regimes: Evidence from Austria and the Czech Republic." In Civil Society in Comparative...


Wikipedia. Democracy Index 2014 [cited 21.10.2014. Available from https://ru.wikipedia.org/w/index.php?title=%D0%98%D0%BD%D0%B4%D0%B5%D0%BA%D1%81_%D0%B4%D0%B5%D0%BC%D0%BE%D0%BA%D1%80%D0%B0%D1%82%D0%B8%D0%B0B8&stable=1.


