Introduction by the editors: This chapter introduces a concept of nonprofit organizational functions, and describes various roles associated with these functions, and how these roles contribute to public policy.¹ The author does so by examining the relative importance of the advocacy, community-building, and service delivery functions fulfilled by business and professional associations in Russia. The study shows that the majority of the examined associations are multifunctional, and that advocacy appears to be their most salient function. Furthermore, as the author notes, while the prevailing model of these associations is shaped by a multitude of factors, the most dominant role is played by the Russian state. Given this, how effective are the advocacy and representation functions in such associations? Overall, the findings reported in this chapter shed more light on the functions played by business and professional associations in Russia, and foster our understanding of the complex dynamics of the government—nonprofit relationships. While Russian business and professional associations are still in the process of forming and shaping, the author suggests they have been succeeding in building relationships with the state by engaging in advocacy activities and contributing to public policy.²

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² Originally published as Ivanova (2013).
There are at least two distinct periods in the institutionalization of relations between the state and the private sector in the post-Soviet period in Russia. The first is linked to the presidency of Boris Yeltsin, which was marked by the emergence of a large number of professional and business associations. These nonprofits were organized primarily around the personalities of their founders, and around social capital networks inherited from the communist rule. However, the public standing and social influence of such associations was negligible (Zudin, 2006).

The second period starts with Vladimir Putin’s rise to power. A traditional, state-dominant model of society was formed in this period. The model has manifested itself in the increased intervention of the state in the economy and public life. The latter became apparent particularly in the state-run corporations, as well as in the top-down pan-Russian umbrella-type public organizations. The vertical implementation of power influenced relations between the state and business; it resulted in the official state endorsement of the four federal associations: the Chamber of Commerce and Industry (CCI), the Russian Union of Industrialists and Entrepreneurs (RUIE), Business Russia (BR), and Opora Rossii (OR). Each of these organizations was officially recognized as a platform that represents interests of the large (CCI and RUIE), medium (BR), and small (OR) businesses (Markus, 2007). This chapter further applies an organizational analysis perspective to the literature on Russian professional and business associations.

Among the most comprehensive works on Russian trade associations is the work of Yakovlev and colleagues (2010). These scholars investigate the evolution of the role and place of business associations in mediating relationships between the state and the private sector in contemporary Russia. The authors attempt to refute the critical propositions of Olson (1982), who claimed that collective business action inevitably brings harm to society, and that the embeddedness of professional interest groups impedes economic growth. On the contrary, Yakovlev and Govorun (2011), following the critical line of Unger & Waarden (2011) argue that, in the face of poorly developed market institutions, business associations advocating on behalf of successful companies in fact encourage the production of public goods. Additionally, trade associations “facilitate interaction between the state and the private sector, potentially contributing to the modernisation processes” (Yakovlev & Govorun, 2011: 98–99).

Several studies based on surveys of firm and business associations’ executives show that Russian companies with active membership in trade associations tend to be more adaptable in a market economy. On the other hand, collective action on behalf of the business community tends to mitigate political competition, thus protecting property rights from the predatory actions of corrupt public officials (Pyle, 2006, 2011). In many transition