Title ‘Social innovation as a response to institutional voids in a northern context – a study from the Murmansk region’
Acknowledgements

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Abstract

Today there is a substantial amount of research on social innovation. The idea that social innovation can be an effective way for dealing with societal challenges is manifested in policy discourses across many states. Although social innovation is promoted globally regardless of the territorial and institutional context, social innovation is an inherently territorialised and context-dependent process arising within a complex environment of local discourses, policies and institutions.

The thesis builds on institutional theory with North’s formal and informal institutions (1991), Scott’s three pillar framework (2005) and institutional voids perspective. Drawing upon a qualitative multicase study research with seven organisations from the Murmansk region, and an integrated theoretical framework, the present thesis contributes to the literature by exploring particular institutional factors shaping the emergence and development of social innovation in the Russian northern context. Furthermore, through the voices of social innovation practitioners, the study tries to explore to what extent they are socially innovative and successful in filling institutional voids embedded in the emerging economy context. This context-specific approach is used to shed light on the particular institutional voids addressed by social innovation practitioners in the Murmansk region.

The research setting is deliberately selected as an emerging economy, i.e. Russia which remains an underresearched country when it comes to social innovation and deals with plenty of institutional voids. Moreover, particular emphasis is placed on a northern context – the Murmansk region as a research setting of the present study since it is believed to exhibit a high number of societal challenges and a challenging weak institutional environment.

My findings provide insights into distinct institutional factors constraining social innovation development in the Russian northern context. The results point to either dysfunction or a lack of formal and informal institutions facilitating social innovation. Furthermore, based on insights from the case studies, the findings demonstrate that social innovation practitioners consider institutional voids as opportunities for development. The study reveals that social innovation practitioners address three categories of specific institutional voids embedded in the weak institutional environment, i.e. political, social and economic voids.

Key words: social innovation, institutional theory, institutional voids, Russia, northern context, the Murmansk region, emerging economy
List of abbreviations

UN – United Nations
EU – European Union
SDGs – Sustainable development goals
NGO – a non-governmental organisation
SMEs – small and medium sized enterprises
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CHAPTER 1. INTRODUCTION

1.1 Background

Continual changes in the world have resulted in a great number of complex and long-standing challenges facing the society nowadays (Melece, 2015). UN proposed 17 ‘Sustainable development goals’ (SDGs) such as no poverty, no hunger, good health and well-being, gender equality, reduced inequalities, climate action, peace, justice and strong institutions and others (UN, 2016). Traditional government approaches related to the public provision of health services, education, early child development, access of the disabled to utilities to meet social needs are currently in decline and, in response; new ways of addressing these challenges are required (Doherty, Horne and Wootton, 2014; Copus et al., 2016).

Hence, in the context of those complex societal challenges social innovation has gained much interest among individuals, organisations, foundations, policymakers, and academia as an important pillar for regional development (Cajaiba-Santana, 2014; Melece, 2015; Moularta et al., 2005; Mulgan et al., 2007). Social innovation is regarded as ‘new solutions (products, services, models, markets, processes etc.) in the context where they appear that simultaneously meet a social need (more effectively than existing solutions) and lead to new or improved capabilities and relationships and better use of assets and resources’ (The Young Foundation, 2012).

Moreover, the idea that social innovation as an effective way for dealing with societal challenges is manifested in policy discourses across many states (TEPSIE, 2014). Many countries pursue innovation-driven growth policies and policymakers promote the concept of social innovation as a new tool to improve the lives of local communities (Boelman et al., 2014; Van der Have & Rubalcaba, 2016). For example, the European Union identifies the importance of social innovation to create economic and social value in addressing the societal needs (Jandova, 2015). In Europe, the current overarching strategy Europe 2020 effectively frames social innovation as a mechanism for responding to a number of the non-economic elements of so-called Grand Challenges (European Commission, 2010).

The EU has identified 7 priority challenges (health, food security, secure and clean energy, smart and green transport, climate action, inclusive and secure societies) which are common for Europe where targeted investment in research and innovation can have a real impact (Horizon 2020, 2017). However, some challenges, for example, outmigration and ageing, are specific to particular countries and regions. When implementing social innovation
projects, the initiatives remain regionally specific since those challenges are embedded in various contextual settings (Jandova, 2015; Turker & Vural, 2017). The local and institutional context, consisting of institutions, the intensity and form of collaboration of different actors and local specific settings, may result in encouraging social innovation or alternatively can act as a barrier for new initiatives (Jandova, 2015; Van Dyck and Van den Broeck, 2013).

The literature often assumes functioning and enabling institutional arrangements, such as strong government, market and civil society, as a necessary condition for new socially responsible initiatives (Amaeshi, Adebibe, & Rajwani, 2014; Rodriguez, 2013; Van Dyck and Van den Broeck, 2013). However, the evidence shows that social innovation initiatives emerge in regions where the institutional environment is fragile (Bernardino, Santos and Ribeiro, 2016).

1.2. Problem statement

The field of social innovation is developing rapidly and there is a great deal of research on social innovation (Caulier-Grice et al., 2012; Moulaert et al., 2015; Mulgan et al., 2007). The research analysing social innovation has drawn on several different disciplines, including economics, management studies, political science, regional and local development, sociology, planning and geography, and in fewer cases, cultural studies (‘Social innovation research in the European Union: policy review,’ 2013). Many researchers study social innovation applying a multi-disciplinary approach (Caulier-Grice et al., 2012). The field of social innovation’s rapid development has primarily included descriptive case studies, along with the creation of various concepts, definitions, research settings and theoretical boundary conditions (Van der Have & Rubalcaba, 2016).

Moreover, most of the existing literature is based on social innovation, social entrepreneurship and social enterprises that have emerged in developed countries. Most studies focus on the western context which is quite different from the context in which emerging economies develop (McCarthy & Puffer, 2016). Developing and emerging economies face huge poverty and unemployment rates and diverse social problems, such as social and economic inequalities, (Agostini, Marques, & Bossle, 2016). Amaeshi et al. (2014, p.135) note that ‘the weak institutional contexts in which organisations in emerging economies operate are often taken for granted or theorised away simply as ‘different institutional contexts’, which do not require further unpacking’. Yet, few published articles (Agostini, et al., 2016; Dobele, 2015; Pue, Vandergeest, & Breznitz, 2016, Turker & Vural, 2017) investigated the institutional factors that may affect or shape the emergence and
development of social innovation in fragile scenarios of emerging economies characterized by institutional instability.

Developing and emerging economies face much more complex poverty rates and social problems, such as social and economic inequalities, food insecurity and many others compared to developed economies (Agostini et al., 2016). In such a fragile context with the relatively poor legitimacy, embeddedness and enforcement of rules and laws, institutions often fail to properly address societal needs (Rodriguez, 2013). Such conditions result in institutional weaknesses and the phenomenon known as ‘institutional voids’, mainly characterized by institutional failures that lead to severe social inequalities (Agostini et al. 2016; McCarthy & Puffer, 2016). In this context, social, economic and political institutions seek to respond with new, creative and effective environments that support and reward change (Catford, 1998; Rodriguez, 2013). Social innovation offers new ways of alleviating social problems caused by the failure of public institutions in addressing societies’ needs (Social entrepreneurship and social innovation in the Nordic countries, 2015).

Different researchers (Agostini et al., 2016; Haar & Ernst, 2016; Turker & Vural, 2017) call for more research on the developing economies, in order to study the concept of social innovation in these countries, and to consider institutional contexts in emerging economies. For example, Turker and Vural (2017) call for empirical research in the form of in-depth case studies or interviews with social innovation practitioners in new country settings in order to provide new insights about context-dependent social innovation. The variations between developed and developing countries result in a strong impact of the context on the engagement in social innovation initiatives, due to the unique historical evolution of the national business systems and institutional frameworks (Agostini et al., 2016). Thus, the international academic community, policymakers, and organisations operating in the emerging economies need to gain a deeper understanding of the importance of institutional factors that shape the emergence and development of social innovation (Ferri, 2014).

The Russian prime-minister, Dmitrii Medvedev emphasized that ‘innovative development’ of the Russian economy is an important goal of the Russian government. According to the prime-minister, new ideas and advances should be developed not only in business environment but in the social sphere as well. However, recent evidence suggests that Russia as an emerging economy is lagging far behind other developed states when it comes to social innovation (Popov, Omonov & Veretennikova, 2016; Terebova, Kuzmin &
Mukhacheva, 2015). This shows that social innovation is still a relatively new research field in Russia.

In recent years, there has been an increasing amount of literature on the development of social innovation, social entrepreneurship and social enterprises in Russia, but most literature has focused on international experience in the development of social enterprises, best international social entrepreneurs’ practices to alleviate social problems and prospects of development of these new phenomena in the context of Russia (Mamonova, 2015; Petrova, 2015; Popov et al., 2016); and the ways to transfer the best practices from developed countries into Russia (Kharlampieva & Smorchkova, 2016; Pisareva & Okhlopkova, 2015). Thus, the evidence shows that most research on social innovation is descriptive and there are a limited number of empirical studies in Russia.

Moreover, there is a lack of studies related to northern regions in Russia which are facing more social challenges compared to the south and central parts of the country (Smorchkova & Kharlampieva, 2015; Pavlova, 2014; Zelentsova, 2006). Many northern regions of Russia face challenges related to geographic remoteness, cold climate and lower service levels (Rasell, 2009). Innovation development of the Russian economy is therefore closely tied with development of northern territories. Northern regions cover a great part of the Russian territory and are home to 25.2 million people (17.7% of the population) (Pavlova, 2014). The northern societies of Russia are facing complex challenges due to globalization, neo-liberal policies and continuing mobility of people and technologies. Several regions are characterized by massive outmigration to the southern regions. Life in the northern regions places spatial, climatic, and financial pressures on well-being found in few other areas of Russia or the world (Rasell, 2009).

Furthermore, northern regions represent a strategic importance due to untapped natural resources such as oil & gas, fish stocks, woods, gold and diamonds, metallic minerals and many others. Today, in northern regions, harvesting and simple processing of rich natural resources make up a large part of the economic activity and export income in those regions (Colchester, 2004). Close to 80% of Russia’s natural resources such as oil & gas, timber, metals, fossil fuels, and fish are located in the Russian North (Rasell, 2009). In addition, the area has high strategic significance given the Northern Sea Route and location of several key military and naval bases (Rasell, 2009).
The hardships associated with living in the North mean that social policies and services are important to the well-being of the population (Rasell, 2009). The Russian State’s social policy plays an important role in mitigating these conditions, addressing the abovementioned challenges and supporting livelihoods of northern communities. However, the evidence shows that governments in several northern regions fail to support societal well-being (The Committee for Northern Development and Indigenous People, 2006; Rasell, 2009; Young & Rawat, 2012). Therefore, social innovation is considered to be an effective tool to address societal needs in the northern regions of Russia.

As mentioned before, the present thesis will focus on Russia which remains an underresearched country when it comes to social innovation. Moreover, the focus of the present research is on social innovation in the northern context, in particular, the Murmansk region since northern regions face more complex and long-standing societal challenges.

In the present work I build on institutional theory (North, 2005; Scott, 1995) and enhance it with the institutional voids perspective (Agostini et al., 2016; Khanna, Palepu and Sinha, 2005; Mair & Marti, 2009) in order to identify institutional factors, from the perspective of social innovation practitioners, shaping the emergence and development of social innovation in Russian the northern context. Moreover, the institutional voids perspective is applied in the thesis in order to explore how successful social innovation practitioners are in filling institutional voids by implementing social innovation initiatives. As Agostini et al. (2016, p.78) note ‘studying social innovation through institutional lens is relevant since the institutional context is the key element that social innovators are willing to change in order to have a positive impact on their society’s development’.

Thus, the current study contributes to the literature on social innovation by examining empirical evidence from Russia as an emerging country context where the current state of affairs owes to the low level of social innovation development. Grounding its theoretical framework on the institutional theory and the institutional voids perspective the study aims to explore particular and unique institutional factors (perceived by social innovation practitioners) in the Russian northern context that stimulate or constrain the emergence and development of social innovation as well as to what extent social innovation practitioners are successful in filling institutional voids within the context of the Russian northern region, i.e. the Murmansk region. Therefore, the study tries to fill in the gap in the knowledge of the
relationship between social innovation development and institutional contexts in northern regions that face diverse social challenges.

1.3 Research question

In the light of the research gap, two research questions have been formulated to clarify the problem statement and to guide the research. The present study tries to achieve its aim by responding to the following main research questions:

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<th>Research questions:</th>
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<tr>
<td>1. What are particular and unique institutional factors, as perceived by social innovation practitioners, that shape and constrain the emergence and development of social innovation in a Russian northern context?</td>
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<tr>
<td>2. To what extent are social innovation practitioners in the Murmansk region socially innovative and successful in filling institutional voids?</td>
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Accordingly, the following propositions are made in the present thesis: 1) Following the logic of institutional theorists (Campbell, 2007; North, 1991; Scott, 2005), the emergence and development of social innovation in Russian northern context will be hampered by the weak institutional environment; 2) despite the weak institutional environment social innovation practitioners spot institutional voids as space for opportunities and find ways to address existing institutional voids in the Murmansk region. Considering the explorative nature of these research questions, they are attempted to be addressed by a qualitative study in a northern context, which can be considered as another contribution of the study.

1.4 Structure of the thesis

The structure of the present thesis consists of the five sections and starts from the introduction chapter, where the aim and research questions are formulated based on the research background, the problem statement and a research gap.

In order to form a clear understanding of the theme of the present research and to answer the research questions, a theoretical framework is presented and broadly discussed in chapter 2. In this chapter I also review the academic literature on social innovation theory, its definitions and the concepts it incorporates. Then, I highlight the literature on the state of affairs regarding social innovation in Russia and in northern regions of Russia. Given the
relative immaturity of this field in the context of Russia, a descriptive approach is taken to understand the nature of social innovation in the context of Russia and northern regions.

Then, in chapter 3 I explain the methodology used in the present thesis. This chapter will describe methodology of the research through research design, sampling and data collection, ethical considerations, and then will address the issues of validity and reliability. In the following chapter (4), I present the analysis of the results from my study. Building on the data from interviews and document analysis, I discuss the findings against relevant theories. Further discussion of empirical findings, implication and recommendation for further research will be described in the conclusion and discussion chapter.
CHAPTER 2. THEORETICAL FRAMEWORK

In this chapter I present institutional theory and the institutional voids perspective as a theoretical framework that is applied in the present thesis to study the emerging field of social innovation. This chapter aims to discuss the previous research regarding social innovation, its definitions and concepts and to suggest my definition of the term. In this chapter I also address the role of a region within the concept of social innovation and describe the current state of affairs regarding social innovation development in Russia as a whole and in the context of Russian northern regions.

2.1 Institutional theory

Institutional research has played an important role in the study of efforts to alleviate social problems (Battilana & Dorado, 2010; Lawrence, Hardy, & Phillips, 2002; Zietsma & Lawrence, 2010). Institutions, the normative and cultural structure of society play a key role in social innovation processes that shape long-term economic and social performance (Hamalainen and Heiskala, 2007). Consistent with Agostini et al. (2016), this thesis supports the view that institutional theory is well positioned to contribute to the understanding of the phenomenon addressed by the present thesis, i.e. social innovation because it sheds light on the contextual elements that shape and constrain the emergence and development of social innovation in the context of Russian northern regions.

A common perception of institutions is that they define the rules of the game that shape the economic behavior of society (Baumol, 1990). The institutional theory seeks to examine these rules of the game that social innovation practitioners must navigate to implement their ideas as well as how institutionalized norms and beliefs influence, facilitate and restrict their actions (Lundström et al., 2013). This is also echoed by Cajaiba-Santana (2014, p.46), who points that institutional theory explains ‘how institutions (norms, rules, conventions, and values) influence the understanding of how societies are structured and how they change over time’, based on ‘cultural and cognition-based frameworks (institutions) that guide collective and individual action’.

The classic definition of institutions by North (1991) states that institutions are man-made restrictions that act as authoritative guidelines to structure and govern the political, social and economic interaction, human activities and activities of organisations. North distinguishes between two types of institutions: formal and informal (North, 1991). The formal institutions refer to the objective constraints and incentives arising from the governmental regulation or legal framework (Bruton et al., 2010; North, 1991; Scott, 2005), and informal institutions (beliefs, values and attitudes) that implicitly emerge from the social
and cultural practices (North, 1991; Scott, 2005) constitute the institutional context of actors. Informal institutions reflect collective meanings and understandings that influence cooperation and coordination among individuals in a society. Scott (2014) assume that social actions are not context free, but are constrained and shaped by the setting in which they occur. Since the social actions and actors are embedded in ‘complex institutional environments that not only constrain but also enable actions’ (Cajaiba-Santana 2014), either consciously or not, these taken-for-granted institutions around actors affect what they can do in these institutional settings (Agostini et al., 2016).

Scott (2005) expanded North’s ideas and proposed his own framework that distinguishes between three types of underlying pillars of institutional order: regulative, normative and cognitive (Scott, 2005). The regulative pillar involves formal rules, such as regulations and laws, which are used by the institutions as mechanisms for monitoring activities and sanctions. The normative pillar is associated with norms and values that establish how things should be done by creating a prescription, evaluation and mandatory social life, that is, institutions create expectations about the actors that follow to ensure social acceptance (Scott, 2005). The last pillar, cognitive, encompasses shared cultural meanings and emphasizes beliefs and values shared by the agents in social practices, so the rules are constructed based on the perceptions that individuals perform on the social world around them (Scott, 2005).

Fukuyama (1995) notes that trust in individuals and institutions implies predictability of actors’ actions. The present study echoes the argument that trust is an important informal institution (Fukuyama, 1995) and consequently frames trust under informal institutions and a normative pillar according to Scott’s (2005) framework. Trust plays an important role as a requirement for collaboration and networking in any sector. As Puffer, McCarthy & Boisot (2010, p.448) note: ‘Western institutions are characterized of trust in the government, regulatory agencies and other formal institutions’. However, emerging economies, for example, Russia is characterized by contradictory and unstable formal rules resulting in a high level of uncertainty and a lack of trust of outsiders and formal institutions (Puffer et al., 2010).

Lekovic (2012, p.67) notes that ‘if a society is characterized by a high degree of confidence, the newly-established institutions will be better accepted’. If there is no trust among citizens or between citizens and the government, social innovations are facing hard
odds and may lack the public trust since social innovation activities can be seen as attempts to privatise the social and dismantle the state (Lecovic, 2012; Nicholls et al., 2015).

According to Hamalainen and Heiskala (2007, p.287), social innovation can be related to all these three dimensions of institutional order. For example, ‘reforms and regulations, put in force by the state, should be accompanied by changes in the normative and cultural dimensions of the institutional order of the system’ (Hamalainen & Heiskala, 2007; Loogma, Tafel-Viia & Ümarik, 2012, p.287). Accordingly, the implementation of social innovation and its sustaining requires changes in meanings, everyday practices and social structures (Hamalainen & Heiskala, 2007). With regard to the institutional context, in some countries the outsourcing of social service provision to non-governmental organisations and private suppliers as well as relationships between the state and those actors, are better regulated, whereas in other countries there are significant voids in public supply and regulation that are filled by both the private and Third sector.

‘A neglect of a pervasive explanation of agency is the most important drawback of institutional theory when it comes to explain change and the role of actors in the establishment of institutions and social practices’ (Battilana, Leca, & Boxenbaum, 2009; Cajaiba-Santana, 2014, p.46). Early studies (Zucker, 1983) implicitly assumed that organisations and individuals have to adapt to institutions because they cannot do anything but comply with institutional pressures (Battilana et al., 2009). However, agents' actions possess the power to change institutions, but are at the same time constrained by institutional practices (Cajaiba-Santana, 2014). McGowan & Westley (2015, p.56) point out that ‘the social innovation process is often the result of the interaction of agency and institutional dynamics’. From a community development perspective, social innovation refers to such changes in agency and institutions that lead to a better inclusion of excluded individuals and groups into various spheres of society (Mehmood, 2016; Moulaert & Hillier, 2007).

In the last decades there have been some efforts to theorise on institutional agency and to focus more on the way in which both individuals and organisations innovate and contribute to institutional change (DiMaggio, 1988; Fligstein, 1997). DiMaggio (1988) introduced the notion of institutional entrepreneurship into institutional theory (DiMaggio, 1988) and accounted for an interactive role of actor in the transformation of institutional context (Turker and Vural, 2017). Building on DiMaggio’s work (1988), Fligstein (1997) developed a theory of institutional entrepreneurship and suggested that some social actors are better at producing
desired outcomes than others (Fligstein, 1997). ‘From an institutional theory perspective, human behavior and actions are shaped jointly by the constraints, incentives, and resources provided by formal and informal institutions’ (Stephan et al., 2014, p.325) and the absence, weaknesses and failure of these institutions result in the emergence of the phenomenon called ‘institutional voids’ that will be discussed in the next subchapter.

2.2 Institutional voids

Since emerging markets are characterized by weak institutional contexts (Khanna and Palepu, 1997; Khanna, Palepu and Sinha, 2005), the concept of institutional voids is of specific interest in the present thesis. The concept of institutional voids is a construct created by Khanna and Palepu (1997, p.41) who define them as ‘the absence, or poor functioning, of the specialists to bring buyers and sellers together in markets’. This concept is particularly used in developing or underdeveloped country contexts (Turker & Vural, 2017).

Mair and Marti (2009) present a literature review on the topic of institutional voids and suggest a broader concept. With origins in institutional theory, Mair and Marti (2009, p. 422) view institutional voids as situations ‘where institutional arrangements that support markets are absent, weak, or fail to accomplish the role expected of them’. When institutions fail and/or are absent, gaps or institutional voids appear, which reinforce social inequality, create problems and hinder development (Ebrashi & Darrag, 2017). The voids such as the lack of rules and regulatory system, contract-enforcing mechanism, governance structure, control system, property rights, and specialized intermediaries, limited access to capital, missing services, weak infrastructure (Campbell and Lindberg, 1990; Khanna et al., 2010) might ‘hinder market functioning, hamper market development or impede market participation’ (Mair and Marti 2009, p.422). Thus, institutional voids can be defined as the absence, weakness or failure of formal or informal institutions that support the markets (Turker & Vural, 2017).

Rodriguez (2013) differentiates between two types of institutional voids: structural and contingent. The structural voids are embedded in the structure of the institutional system and indicate the rules of the game. They are gaps in the existing institutional system, which express the distance between formal rules and informal rules (Rodriguez, 2013). The contingent voids indicate the way in which the game is actually being played and ‘come from a combination of factors unique to given environments, such as the social and economic contexts in which they are embedded’ (Rodriguez, 2013, p. 23).
Although the presence of institutional voids generate negative consequences for society, such as the over-exploitation of human and natural resources, and the possibility to facilitate illegal activities (Rodriguez, 2013), voids are not always an obstacle to doing business, they can be positive to organisations in many respects, by generating enormous opportunities for new businesses and entrepreneurship (Agostini et al., 2016; Mair & Marti, 2009; Rodriguez, 2013) and by creating higher innovativeness of business groups (Rivera, 2015). Khanna and Palepu (2005; 2011) view institutional voids as spaces of opportunities to be seized by organisations. They underline the possibility of entrepreneurial agency exercised by organisations in overcoming bureaucratic barriers, or replacing public institutions.

The presence of institutional voids results in a question – who can fill these gaps (Mair & Marti, 2009). The most widely accepted view is that the state is responsible for the creation of these institutions. Mair and Marti (2009, p. 422) ask: ‘what happens if government structures are weak or corrupt … and the rules and conditions under which economic actors organize, compete or cooperate, tend to favor some actors over others?’. Agostini et al. (2016) analyzed previous research on the topic and concluded that there are different stakeholders trying to address institutional voids, from formal organizations to social innovation practitioners.

Institutional voids are also studied in the social innovation and social entrepreneurship research. In the social entrepreneurship literature the concept refers ‘to the conditions of limited government support especially for social programs’ (Stephan, 2015, p.4). Under such conditions, social needs such as such as adequate health care, children’s social services, or environmental protection are more abundant, creating greater demand for social innovation (Dacin et al., 2010, Mair & Marti, 2009). Organisations might find new and innovative ways to address and fill these institutional voids even in challenging non-enabling environments. For example, Dacin et al. (2010, p.50) notes that ‘social entrepreneurship is more likely to occur where there are significant socioeconomic, cultural, or environmental problems…’. The central proposition is that when governments fail to provide adequate public services, social innovation practitioners are needed to provide these goods and services (Stephen, 2015). Thus, social innovation practitioners tackle voids in the prevailing institutional context that prevent certain members from participating in the market (Mair & Marti, 2009). From this perspective, the presence of voids can facilitate social innovation by stimulating the actors towards meeting the challenges by recombination of resources at hand.
Thus, social innovation practitioners can participate in the elimination of state failures filling institutional voids because the governments often fail to fulfil the main task of the public sector – i.e., provide the desired standard of living (Agostini et al., 2016). Social innovation activities can reduce the level of the state bureaucracy and the accompanying transaction costs when dealing with socially and economically significant problems.

2.3 Defining social innovation, key concepts and social innovation as a research subject

Research on social innovation has become increasingly popular during the last decade (Cajaiba-Santana, 2014; Moulaert et al., 2015; Mulgan, 2006), driven by trends such as constantly shrinking public resources, e.g. the cuts in the public spending on social services, increasing engagement of local citizens and organizations in innovation processes, and the challenges developing and developed economies are facing.

Social innovation is multidisciplinary by its nature (The Young Foundation, 2012). The mainstream literature on social innovation remains fragmented compared to the literature on technological or business innovation (The Young Foundation, 2012) and much of the literature is drawn from a variety of fields (Moulaert et al., 2005). This results in the existence of numerous definitions with different aspects emphasized, a lack of consensus over the commonly-agreed definition and much debate in the emerging field (Cajaiba-Santana, 2014; Howaldt et al., 2014; The Young Foundation, 2012; van der Have and Rubalcaba, 2016). Furthermore, as Howaldt et al. (2014, p.10) note, ‘this reflects the fact that social innovation is predominantly a practice led field in which definitions and meanings have emerged through people doing things in new ways rather than reflecting on them in an academic way’.

Social innovation is used to describe a broad range of activities (Howaldt et al., 2014). In particular, social innovation encompasses:

- the development of new products, services and programmes;
- social entrepreneurship and the activity of social enterprises;
- the reconfiguration of social relations and power structures;
- workplace innovation;
- new models of local economic development;
- societal transformation and system change;
- non-profit management;
- enterprise-led sustainable development (Caulier-Grice et al., 2012).

In a review of the literature Caulier-Grice et al. (2012) identified several uses of the term social innovation has been used to describe: ‘societal transformation, a model of organizational management, social entrepreneurship, the development of new products, services and programmes as well as a model of governance, empowerment and capacity building’ (Caulier-Grice et al., 2012, p. 6). These uses of the term ‘social innovation’ in the literature are shown in Appendix 1 elaborated by Caulier-Grice et al. (2012).

There are numerous definitions of social innovation (TEPSIE, 2014). Although I do not provide a comprehensive summary of the state of the field in the present research, and the table of definitions presented in Appendix 2 is not exhaustive, I outline some of the main descriptions and most cited definitions of social innovation with the aim to state my own understanding. I also provide an overview of the most important current themes and debates in the emerging field of social innovation. As it is shown in Appendix 2, definitions of social innovation focus on 1) the process; 2) the outcomes; 3) the actors involved; 4) the motivations, among many other aspects. For such a reason in the next lines a discussion of some of the main and most cited concepts is presented.

### 2.3.1 Social in social innovation

There are different approaches towards the adjective ‘social’ in social innovation (TEPSIE, 2014). The scholars frame their definitions within different theoretical frameworks and emphasize the distinction of social innovation from other forms of innovation (Ávila, Rodríguez-Aceves and Castro, 2016). For example, the Stanford Social Innovation Review defines ‘social’ in terms of social value, whereby ‘the value created accrues primarily to society as a whole rather than private individuals’. Several scholars consider ‘social’ in terms of social needs (Caulier-Grice et al., 2012; Mulgan, et al, 2007). For example, Craulier-Grice et al. (2012, p.18) who define social innovation as ‘new solutions (products, services, models, markets, processes etc.) that simultaneously meet a social need...’:

Other scholars define the ‘social’ in social innovation in terms of social impact (TEPSIE, 2014). For example, Neumeier (2011, p.46) defines social innovation as ‘societal achievements that, compared with already established solutions, provide improved solutions that are to a lesser extent defined by their absolute novelty more than by their consequences’. Pol & Ville (2009, p.78) note that ‘the implied new idea has the potential to improve either the quality or the quantity of life’, thus, considering ‘social’ in terms of well-being. Hence,
the focus on the adjective ‘social’ in social innovation can refer to values, needs, well-being, and social impact, which demonstrates the complexity and multi-faceted nature of social innovation (TEPSIE, 2014; van der Have and Rubalcaba, 2016).

2.3.2 Product in social innovation

Researchers also focus on the ‘product’ dimension of social innovation in their definitions and define social innovation as the implementation of an idea that leads to specific results and outcomes, for example, as improved quality of life or social inclusion (Caulier-Grice et al., 2012). For instance, Phillis, Deiglmeier & Miller (2008) define social innovation as a novel solution to a social problem that is more effective, efficient, sustainable or just than existing solutions. Caulier et al. (2012) argue that this definition might include things which are not explicitly social or innovative but could lead to a better quality of life. The scholars also note that some of the outcomes that are incorporated in the social innovation by different scholars, such as the ‘public good’, ‘quality of life’, and ‘societal challenges’ are problematic and in some cases contested (Caulier-Grice et al., 2012, p.11).

2.3.3 Motivations for social innovation

Other definitions focus on motivations. For example, Harris & Albury (2009), define social innovation as ‘innovation that is explicitly for the social and public good’. The scholars emphasize that social innovation is innovation inspired by the desire to meet social needs which can be neglected by traditional forms of private market provision and which have often been poorly served or unresolved by services organised by the state (Harris & Albury, 2009).

2.3.4 Social innovation actors

Some scholars include references to the relationships between social innovation actors while defining social innovation (Caulier-Grice et al., 2012, p.11). For example, Neumeier defines social innovation as ‘changes of attitudes, behaviours or perceptions of a group of people joined in a network of aligned interests that in relation to the group’s horizon of experiences lead to new and improved ways of collaborative action within the group and beyond’ (Neumeier, 2012). Caulier-Grice et al. (2012, p.12) argue that ‘defining social innovations as changes in ‘attitudes, behaviour and perceptions’ is both too broad and at the same time restrictive’.

Westley (2008) contributes much to the discussion and debate about social innovation by defining it through the lens of system thinking and the concept of resilience. She argues that social innovation occurs within social systems and that the social systems must be
‘adaptive’ and ‘ever-evolving’ in order to respond to the new and emerging needs of subsystems (Westley, 2008). In addition, this scholar notes that social systems must be resilient so they can adapt to outside shocks. Moreover, Gaulier-Grice et al. (2012, p.13) note that ‘Westley’s conception of social innovation is closely linked to the transfer of agency and power to marginalised groups’ since Westley ‘is re-engaging vulnerable populations in the mainstream economic, social and cultural institutions as active participants and contributors is therefore intimately tied to socio-ecological resilience’ (Westley, 2008, p.1).

Recently, Cajaiba-Santana (2014) developed a sociological framework to study social innovation (der Have & Rubalhaha, 2016). This scholar’s framework combines the structural perspective of social innovation, focused on social structures and organization, with the individualistic agency perspective (der Have & Rubalhaha, 2016, p. 1924). Thus, she focuses on individual agents and their characteristics as determinants for social innovation (Cajaiba-Santana, 2014).

2.3.5 Definition of social innovation

My literature review demonstrates a number of common themes emerging within social innovation. These include the idea that social innovation is a distinct type of innovation; it results in specific outcomes; it can take place in any sector and across different sectors; it is context specific; it has a product dimension as well as a process dimension; it changes social relations with regard to governance; enhances societal resilience and has an empowerment dimension (Caulier-Grice et al., 2012).

In the present thesis, I am in line with Young Foundation’s definition of social innovation that is ‘new solutions (products, services, models, markets, processes etc.) in the context where they appear that simultaneously meet a social need (more effectively than existing solutions) and lead to new or improved capabilities and relationships and better use of assets and resources’ (The Young Foundation, 2012). However, for the purposes of my research question, I have incorporated local context as an important aspect of social innovation. This definition implies different important aspects of social innovation such as the product (meeting social needs), process (improving relationships and capabilities or using assets and resources in a new way) and empowerment dimensions (enhancing society’s capacity to act) (The Young Foundation, 2012).

This definition fits my research questions, i.e. exploring institutional factors that shape the emergence and development of social innovation in Russian northern regions and to what
extent social innovation practitioners are socially innovative in filling institutional voids in the context of the Murmansk region. In particular, I am interested in institutional factors that shape the emergence of the new solutions meeting social needs in the Murmansk region due to the failure of the state to address those needs; and the efficiency of social innovation initiatives to solving social problems and filling those institutional voids in the northern regions of Russia.

2.3.6 Social entrepreneurship in social innovation

The terms ‘social enterprise’, ‘social entrepreneurship’ and ‘social entrepreneur’ are all closely related to the concept of social innovation but they are distinct (TEPSIE, 2014). According to the TEPSIE project (2014), ‘social innovation is much broader than social enterprise or social entrepreneurship – but may overlap with one or the other or both. For example, a social entrepreneur may set up a social enterprise which delivers a socially innovative programme’ (TEPSIE, 2014, p. 32). The relationship between those concepts is demonstrated in Figure 1.

**Figure 1. Relationship between such concepts as social innovation, social entrepreneurship and social enterprise (TEPSIE, 2014)**

While social entrepreneurship should be considered as a key component of social innovation, it should be recognized that the field of social innovation is much broader than social enterprise and social entrepreneurship (TEPSIE, 2014). Social innovation is clearly concerned with new combinations of activities and resources to develop new social practices, however, these are not necessarily generated by entrepreneurs, and they do not necessarily take the form of market based activity (TEPSIE, 2014).

2.4 Social innovation in a territorial context

To analyse the emergence and development of social innovation in the region, a profound understanding of the local context is needed. In practice, social innovations arise within a complex context of local discourses, policies and institutions (Brandsen and Cattacin, 2016). Social innovation practitioners have to address the wider contextual and institutional setting in which they operate (Kemp et al., 2015).
Van Dyck et al. (2013) emphasize that although social innovation is promoted globally regardless of the territorial context, social innovation is an inherently territorialised process – the impact and process of social innovation is closely related to a region where this initiative occurs. As emphasized by Van Dyck et al. (2013, p.5), ‘when studying social innovation from the territorial perspective, it is of great importance to highlight the agents and institutions because they determine and affect the local specific character of social innovation’.

Thus, the following subchapters describe and analyze social innovation development in Russia and the territorial specifics of social innovation occurring in the northern regions of Russia. The subchapters illustrate and analyze what are the country’s and northern regions’ specific characteristics, the regional strategy, and potential for social innovation, involvement of different actors and intensity of collaboration between them and institutions and their connections to social innovation.

2.4.1 Social innovation in Russia

According to the Article 7 of the Constitution of the Russian Federation1, Russian Federation is as social state, the policy of which is aimed at creating conditions that provide a fair standard of life and free development of a person. In the Russian Federation the labour and health of people shall be protected, a guaranteed minimum wage and salary shall be established, state support ensured to the family, maternity, paternity and childhood, to disabled persons and the elderly, the system of social services, state pensions, allowances and other social security guarantees shall be established (The Constitution of the Russian Federation, 1993). However, there are numerous social problems that the Russian Government has failed to address properly.

In the Russian context social innovation as a term is new and not investigated on a large scale in economical and sociological science (Kwasnicki, 2014). In Russia social innovation is in its early stages of development. Social innovation is a new term that is predominantly associated with public-private partnerships, corporate social responsibility, social entrepreneurship and charity. Shaymardanova & Gubina (2015) argue that many Russian companies regard social innovation and social investments as traditional charity policies. Moreover, in the Russian context people involved in social innovation initiatives often do not consider themselves as social innovation practitioners (Shaymardanova and Gubina, 2015).

1 The Constitution of the Russian Federation, 1993
However, the awareness of the need for social innovation implementation is increasingly growing in the Russia society (RIA NOVOSTI, 2013). On the federal level there are such examples as distance learning and inclusive education projects aimed at increasing society’s cohesion and the educational level. Terebova, Kuzmin & Mukhacheva (2015) argue that in Russia the implementation of social innovations is predominantly initiated by the government in order to increase society’s engagement and develop a civil society.

There is an increasing focus on providing support for the Third sector and engagement of NGOs in social services provision by the Russian Government (Krasnopol’skaya & Mersiyanova, 2015). Over the past 5 years, the state policy towards the development of the institutions of civil society has been developing. Development of state society institutions is one of the priorities of the Conception of Long-Term Social and Economic Development of the Russian Federation for the Period up to 2020 approved by the Government Decree of the Russian Federation Government No. 1662 dated November 17, 2008 (Economy.gov.ru, 2017). In particular, the Conception of Assistance in Development of Charity and Voluntarism has been introduced and the Federal Law on social non-commercial organizations was introduced that provides support for socially-oriented organizations involved in social services provision.

The role of NGOs in the social sphere is acknowledged on the federal level. The Russian Government promotes the engagement of NGOs in the social sphere for improving the quality and availability of state social services. According to the Conception of long-term social and economic development of Russian Federation until 2020 (‘Strategy 2020’), one of the most important long-term policies of social support is an increase in a number of organizations of the Third Sector in social services provision (Economy.gov.ru, 2017).

It is should be emphasized that one of the important steps forward on the development of social innovation in Russia on the federal level is the Social Innovation Forum. It is a platform for presenting best social innovation practices (Socio-forum, 2017). The Forum is aimed at improving social service provision infrastructure and well-being of different groups

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3 the Conception of Assistance in Development of Charity and Voluntarism in the Russian Federation approved by the Government Decree No. 1054-r dated July 30, 2009
of people by engaging leaders, strengthening organizations, and building networks. The forum is organized by the Council of the Federation of the Federal Assembly of the Russian Federation, the Ministry for Economic Development of Russian Federation, the Ministry of Labour and Social Protection of Russian Federation, Agency for Strategic Initiatives (Socio-forum, 2017). The first Social Innovation Forum was held in Omsk in 2015 and hosted policymakers, academics, representatives of public organizations and NGOs and businesses from 75 Russian regions.

On the other hand, there are barriers embedded in the state policy, e.g. gaps in the legislative base, the presence of negative attitude towards some activities of NGOs, a lack of awareness and common understanding of the tasks for development of civil society and the Third sector among policymakers of different governance levels and badly-developed mechanisms of supporting NGOs (Krasnopolskaya and Mersiyanova, 2015).

Popov, Omonov & Veretennikova (2016) note that there are important development steps towards social innovation implementation on the federal level but the unsuccessful examples prevail. For example, a social innovation ‘Electronic Russia’, conducted from 2002 to 2010 on the federal level, was aimed at providing a radical acceleration of exchange processes in the economy and society as a whole, especially between citizens and public authorities. Unfortunately, the effectiveness of the programme turned out to be low although 21 billion Russian roubles have been invested in the implementation of the programme. In 2011 the Prosecutor’s General reported the investigation regarding the alleged embezzlement of public money (Popov et al., 2016).

According to the findings of Krasnopolskaya & Mersiyanova (2015), there is a demand for the Third sector to be engaged in social services provision - 82% of respondents in Russia are of the opinion that NGOs should be involved in social services provision. When it comes to the assessment of the current contribution of the Third sector to solving social problems, the findings show that half of the respondents assess the Third sector’s contribution as ‘satisfactory’ while 15% of respondents mentioned that the organizations of the Third sector work ineffectively (Krasnopolskaya & Mersiyanova, 2015).

At the same time, Shaymardanova & Gubina (2015) note that the Russian society is not ready for social innovations to come in the social sphere due to the fear towards changes.

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4Approx. 336 370 548,86 euro
It is rooted in the Soviet times when people were conservative and very skeptical towards something new. Nowadays, the Russians try to preserve their beliefs and lifestyles even if they understand that they are old-fashioned (Shaymardanova & Gubina, 2015). This argument is in line with Lekovic (2012, p.67) who notes that ‘if a society is characterized by a high degree of confidence, the newly-established institutions will be better accepted’. This is a good illustration how normative and cognitive pillars can affect social innovation development. Thus, Shaymardanova & Gubina (2015) emphasize the need for dissemination of information on best social innovation practices in Russia.

Thus, the evidence demonstrates that the Government of Russia promotes social innovation initiatives by contributing to the organization of the Social Innovation Forums and making the participation of the Third Sector into social services provision legitimate. However, at the same time the institutional environment affects social innovation initiatives implementation and the impact and support of social innovation is region-specific.

2.4.2 Social innovation in a Russian northern context

The development of Russian northern and Arctic regions is caused by its rich natural resources that are considered to be a leading factor of regional competitiveness. Life in the Russian northern regions places spatial, climatic, and financial pressures on well-being of the population. State social policy plays an important role in mitigating these conditions and supporting livelihoods (Rasell, 2009). The pressing issues in northern Russia include healthcare, alcoholism, environmental standards and socio-economic marginalization. Many authors emphasize a lack of social infrastructure, the need for their improvement and a lack of modern technologies. Smaller settlements in the Russian northern regions face challenges related to a lack of elements of social infrastructure, e.g. sport centres, entertaining facilities, etc. because most of them are located in bigger towns. This results in a limited availability of social activities northerners are entitled to.

There is strong evidence that the Russian Far North needs tailored support in order to solve its specific problems (Rasell, 2009). This involves a broad range of measures to improve well-being in the Russian northern regions. Social innovation can be seen as an effective instrument for addressing societal needs of the northern communities. Reforming social policies in the Russian North without providing adequate support to the population will only exacerbate vulnerability in the region (Rasell, 2009).
The analysis of the activities carried out by the international organisations in the Arctic states demonstrates some tendencies which are considered to be new for the Russian northern regions involved in cross-border cooperation. One of these tendencies is the implementation of social innovation which is adapted on the local levels. Kharlampieva & Smorchkova (2016) suggest introducing the Conception for social innovation in the Arctic zone of Russia aimed at identifying priority areas of social innovation and their governance mechanisms in the Arctic zone of Russia. The authors call for the increase in the engagement of municipalities in attracting local communities into decision-making, including the Third sector, public organizations representing Indigenous people, and private and public sectors (Kharlampieva & Smorchkova, 2016).

As Smorchkova (2016) notes, Russian northern regions have witnessed the influence of emerging social innovation in European countries due to the increasing cross-border cooperation. The Murmansk region borders both developed countries – Norway and Finland and has a long history of cross-border cooperation in education, sports, trade, heath care, tourism and culture. As a result, nowadays many northern regions focus on social innovation development as a way of providing social services. In some northern municipalities social innovations include the creation of gyms for the elderly, development of distance learning, in particular for Indigenous peoples. Murmansk region is not the exception: a number of social innovation initiatives is growing, and actors from different sectors have willingness to engage into solving social problems in the region.

The development of the innovative economy is considered to be crucial for the northern regions in Russia (Didyk & Ryabova, 2013). Not only technological innovations are important for the Russian northern economies but also social innovations. In particular, social innovation plays a significant role in ensuring cohesion among communities and developing social capital which is considered to be one of the main factors of innovative development of economies on local levels (Smorchkova & Kharlampieva, 2015).

However, with regards to the development of social innovation in Russian northern context there exist significant institutional barriers and disincentives within current legal, political and economic structures for those interested in channeling efforts and resources into social innovation which results in the emergence of institutional voids. Not all Russian northern regions have support for social innovation development. Russian regions face different challenges in terms of encouraging and promoting social innovation.
2.5 Analytical framework and research model

The research questions in the present thesis have been formulated as follows:

1) What are particular and unique institutional factors, as perceived by social innovation practitioners, that shape or constrain the emergence and development of social innovation in a Russian northern context?

2) To what extent are social innovation practitioners in the Murmansk region socially innovative and successful in filling institutional voids?

![Figure 2. A research model](image)

To answer these research questions, I propose a research model (fig. 2) that highlights the role of institutional context in shaping the development of social innovation in a Russian northern context and points out that social innovation can be a response to filling institutional voids. The framework has been developed based on the operationalization of the theoretical concepts outlined above by way of combining institutional framework and the institutional voids perspective.

The model is represented in illustrative form. The institutional context as a composition of voids was given on the left-hand side. The previous discussion points out that when there are failures or institutional gaps, ‘institutional voids’ emerge in the given institutional context. According to the research model, social innovation initiatives occur in a specific institutional context (institutional environment) comprising regulative, normative and cognitive pillars which refer to formal and informal institutions that shape the emergence and development of social innovation practices in Russia as an emerging economy. In developing
my analytical framework, I draw on North’s definitions of formal and informal institutions and Scott’s manifestation of the regulative, normative and cognitive institutional pillar (North, 1991; Scott, 2005). Different actors, in my case, social innovation practitioners try to fill the existing institutional voids because of the state’s failure to fulfill the main task of the public sector – to provide the desired standard of living. Thus, social needs are addressed by social innovation practitioners who fill in these institutional voids which may result in social change.
CHAPTER 3. METHODOLOGY
In this chapter I will present the rationale behind my choice of research design, what method I have used, the criteria for sample and recruiting, execution of the interviews and data collection as well as the analysis, the study’s validity, reliability, and the ethical considerations. A methodological chapter is vitally important in terms of defining the right way of doing the study, responding to the problem statement and research questions.

3.1 Research design
A research design is considered to be a guide to how a research will be undertaken and ‘an integrated statement of and justification for the technical decisions involved in planning a research project’ (Blaikie, 2009, p. 15). A research design involves making a range of choices about what is to be studied and how it will be studied (Blaikie, 2009).

Research designs are usually grouped into three types: exploratory studies, descriptive studies and explanatory study (Blanche, Durrheim and Painter, 2014). Each of these research types is used in different situations and addresses different research questions (Saunders, Lewis, and Thornhill, 2009). In the present study, I have chosen to take an exploratory research design with elements of a descriptive one since there are few empirical studies about the social innovation development in Russia and this thesis aims to seek new insights into particular institutional factors shaping emergence and development of social innovation in the context of a Russian northern context. An exploratory approach is particularly valuable when there is limited knowledge in the field and when the research question aims to provide a better understanding of concepts or particular contexts. Questions at this level are designed to ‘explore the topic and usually start with ‘What is…?/What are…?’ the phenomena or concepts of interest’ (Daly, Speedy and Jackson, 2014, p. 143).

An exploratory study serves in the present thesis as a valuable means of exploring ‘what is happening; to seek new insights; to ask questions and to assess phenomena in a new light’ (Robson, 2002, p. 59). The main advantage of this type of study is that it is ‘flexible and adaptive to change as the research area begins to become more clear to the researcher’ (Krishnaswamy, 2011, p.161; Saunders et al., 2009, p. 140).

Additionally, a descriptive research can serve as ‘an extension of, or a forerunner to, a piece of exploratory research’ (Saunders et al., 2009). According to Adams (2012, p.20), ‘descriptive research is aimed at describing phenomena and is not concerned with understanding why behavior is the way it is’. When the researcher is interested in knowing the characteristics of an organisation, such as a number of employees, sources of finance, age and
educational level, etc., a descriptive study may be necessary (D'Amico, 1969). Descriptive parts will therefore be used when presenting the development of social innovation the Russian northern context and the respective case studies. The descriptive statistics is used in the present thesis in order to summarize the characteristics of case studies, i.e. organisations involved in social innovation.

3.1.1 Qualitative research

Basically researchers have to choose either quantitative or qualitative research framework or a mix of them before conducting the research. Qualitative researchers study things in their natural settings, attempting to understand and interpret the phenomena in terms of the meanings people bring to them (Thomas, 2011). Hence, a qualitative research was chosen for the present thesis since this approach is useful in situations where ‘… there is little known about a phenomenon...or when the research question pertains to understanding or describing a particular phenomenon or event about which little is known’ (Morse & Field, 2006, p. 11).

Moreover, the qualitative design is the most desirable research choice as it yields rich descriptions and explanations of processes. Research questions like ‘What are particular institutional factors...’ are types of questions that require broad discussion and reflection, rather than quantitative measures. Mair & Marti (2004) call for qualitative approaches such as case study analysis, narratives, discourse analysis or ethnography when doing research on embeddedness or studying the influence of a particular context on social innovation. Thus, a qualitative research allows to study in-depth social innovation phenomenon and particular institutional factors affecting its development in different contexts.

Additionally, a qualitative design is preferred in this study because this research aims to explore to what extent social innovation practitioners are socially innovative and successful in filling institutional voids and in order to achieve this aim, a detailed data and greater insight into institutional voids is necessary with emphasis on interpretation rather than quantification. Hence, due to the nature of my research questions, I adopt a qualitative explorative research with elements of a descriptive research.

3.1.2 Choice of a research method

As the present thesis strives to understand a particular contemporary social phenomenon within its real-life context (Robson, 2002, p.178), case studies are very well suited to address this. Case studies can be useful in those situations when a researcher aims to
gain a rich understanding of the context of the research and the processes being enacted. They involve an in-depth study of bounded and complex phenomena and the reflection thereof is very appropriate for critical realists. It is a great source of qualitative data by providing a thorough and holistic understanding of a phenomenon and a great advantage of this method is its flexibility and comprehensiveness (Baran & Jones, 2016). In line with the research purpose, case studies are commonly used for exploratory research (Saunders et al., 2007). Hence, a multi-case study approach was selected for this study to gain a specific investigation into particular institutional factors that shape social innovation in a northern setting and institutional voids social innovation practitioners address in the Murmansk region.

There are different approaches and tools to gather qualitative data, in other words, modalities (Easterby-Smith et al., 2013, p. 126). For the data collection, a multi-method qualitative study method was applied (Saunders et al., 2007) where several qualitative data collection techniques such as in-depth interviews, field observations during interviews and qualitative data collection through documents, organisations’ websites were used in order to answer the research questions.

In-depth interviews are widely used to gather primary data, which are normally analysed qualitatively, for example as part of a case study strategy (Saunders et al., 2009). In the present exploratory study, in-depth interviews can be very helpful to ‘find out what is happening, to uncover new clues and to seek new insights into the phenomenon’ (Robson, 2002, p.59). In this study I have used a semi-structured type of interviews. Semi-structured and in-depth interviews ‘give a researcher the opportunity to ‘probe’ answers, and are used when a researcher wants the respondents to explain, or build on, their responses’ (Saunders et al., 2009, p. 324). Kvale (1996, p.6) defines the semi-structured research interview as ‘..an interview whose purpose is to obtain descriptions of the life world of the interviewee with respect to interpreting the meaning of the described phenomena’. In the present work, adopting an interpretivist epistemology, I am concerned to collect a rich and detailed set of data and understand the meanings that respondents ascribe to institutional factors that constrain or enable social innovation and institutional voids they address. Furthermore, based on reflection what exactly I want to find out in the course of interviews, I developed an interview guide (see Appendix 3), describing the themes that the interview should cover in order to answer the research questions.
Additionally, I have used qualitative data from participant observation and document analysis of organisations’ internal reports, website information and governmental reports which enriched this thesis with the valuable information regarding the contextual level, i.e. the state of affairs regarding social innovation development on the federal and regional level in Russia and the specific activities of social innovation practitioners.

3.2 Sampling and data collection

The choice of Murmansk region as a context is made due to the following reasons. On the one hand, convenience sampling has been used due to the accessibility of the region in terms of distance and respondents; and awareness about the region since the author of the present thesis originally comes from Murmansk. On the other hand, Murmansk region is gradually developing its innovative potential. A northern region is a rich empirical site to explore social innovation as a response filling institutional voids because there is evidence of social innovation discourse emerging in the region in the recent two years and an increasing number of social innovation practitioners aimed at alleviating societal problems the region’s government fails to address.

In the current study, a sample of social innovation practitioners was chosen and analyzed to address the research questions in a northern context. In order to get a comprehensive understanding of the organisations and a local context, the data was derived during a seven days fieldwork in Murmansk and data collection was driven by a purposive sampling technique. As shown in table 1, semi-structured in-depth interviews were conducted with 14 social innovation practitioners from 7 organisations with the purpose of providing extensive knowledge on each case, the context and individual perspectives. Participants were drawn from different backgrounds and functions ranging from social innovation practitioners to other social actors employed in organisations, in order to ensure representativeness and diversity of perspectives. Due to the growing presence of social innovation initiatives in the Murmansk region within various fields, the case studies were selected according to the following criteria: 1) the social innovation characteristics; 2) innovation and implementation (whether an organisation or the actor developed and implemented an innovation for that particular local context); 3) the accessibility to interview social innovation practitioners face-to-face or via Skype; and 4) sectoral variation (selecting organisations from different sectors to represent various innovations).
Table 1 A list of organisations and number of respondents

<table>
<thead>
<tr>
<th>Name of organization</th>
<th>Number of interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘Sunny Home’ (‘Solnechnii Dom’) - Sand writing school</td>
<td>2</td>
</tr>
<tr>
<td>‘Kovcheg’ – Regional Organisation of Disabled People</td>
<td>2</td>
</tr>
<tr>
<td>‘Siyanie’ – social services provider</td>
<td>2</td>
</tr>
<tr>
<td>Centre ‘Bolshaja Peremenia’</td>
<td>2</td>
</tr>
<tr>
<td>STRIDER School (‘Severnii Veterok’)</td>
<td>1</td>
</tr>
<tr>
<td>Organisation M</td>
<td>4</td>
</tr>
<tr>
<td>Organisation N</td>
<td>1</td>
</tr>
</tbody>
</table>

The organisations were found through various methods: desktop research and investigation, personal connections and networking and snowballing effect (organisations suggesting other organisation). Hence, convenience sampling allowed me to reach the respondents based on the ease of access to them and purposive sampling enabled me to choose only those organisations which would be appropriate for my research.

After a variety of cases had been chosen, initial formal contact was made (herein providing the respondent with a description of the purpose of the research). The respondents were sent an interview guide (see Appendix 3) to facilitate their preparation and to gain cooperation. The semi-structured interview guide contained questions specifically targeting institutional factors affecting the activities of social innovation practitioners and institutional voids they address.

Interviews started with a short presentation explaining the purpose of research and main themes of the interview. In addition, I obtained an informed consent (see Appendix 4) and asked for permission to record interviews. Then, I asked several questions in order to gain background information about the name of the organization, age, size, type of initiator, sector/s, target population, and geographical area. Thereafter, an interview was carried out where the questions were designed as open-ended, broad and easily understandable questions in order to enable the interviewees to talk freely. Each and every respondent was very open, interested and excited to participate and share experiences, and so interviews were easily set up. Based on the recordings and notes, the interviews were transcribed literally. Interviews
were later followed up on with written questions for the respondents to elaborate or clarify certain answers. Most of the interviews took place at the participants’ workplaces, whereas a couple of them preferred to be interviewed at home or in a café. The interviews were conducted in Russian, since the Russian language is a mother tongue to all the respondents. The interviews lasted from 35 to 120 minutes, with an average duration of 40 minutes.

3.3 Ethical consideration

According to Saunders et al. (2007, p. 183), ‘in the context of research, ethics refers to the appropriateness of your behaviour in relation to the rights of those who become the subject of your work, or are affected by it’. For the qualitative researchers, ethical practice can be defined as a moral stance that ‘guides moral choices about our behaviour and our relationships with others’ (Cooper and Schindler, 2008, p.34). Ethical concerns should be considered from the beginning of a research project and up to the final report. Hence, all the informants received information about the Master project on email, which formed the basis for the consent to participate in the present study.

Informed consent from informants is considered to be an important ethical principle in research (Speziale & Carpenter, 2011). Given the nature of issues addressed in this study, all the interviewed social innovation practitioners were asked for providing their informed consent before the commencement of interviews. The ethical issues of confidentiality and anonymity also come to the fore during the collecting data and reporting stage of research (Saunders et al., 2007). Hence, all the respondents were assured of anonymity in case they wanted to maintain confidentiality regarding the organisation they represent and their identities, which helped ensure more effective communication and trustworthy information. Consequently, whilst quotations are included in the present research to support the arguments made, the anonymity of those interviewed was ensured by not naming the organisation and referring to respondents by words such as ‘respondent’ or ‘interviewee’ rather than using their names or specifying the name of the organisation. In this research the identities of two organisations and their identifying information have been changed in order to maintain anonymity. The interviewees were asked if I could record the interviews on tape, which everyone consented to.

3.4 Validity and Reliability

In order for any social science research to be considered credible, it is of great importance that researchers ensure that the study is both valid and reliable. According to Yin
(1994, p. 33), ‘the quality of a research design depends on four variables: construct validity, internal validity, external validity, and reliability’.

Validity relates to accuracy and trustworthiness of findings (Saunders et al., 2007). In order to avoid problems with construct validity, I used multiple sources of evidence ‘in a manner encouraging convergent lines of inquiry’ during data collection (Yin, 1994, p. 33). Internal validity is not relevant for the present exploratory study since it is used for explanatory and causal studies (Yin, 1994). External validity implies a possibility of applying findings to other situations or contexts, in other words it relates to generalizability of findings (Saunders et al., 2007). Yin (1994) suggests using multiple case study design to overcome this potential flaw. Although seven cases are not a sufficient basis for legitimately transfer the results to the whole population and all Russian northern regions, the findings can be considered valid since Yin (1994, p.31) notes that ‘if all the cases turn out as predicted, these cases would have provided support for the initial set of propositions’ (Yin, 1994, p. 46). Moreover, the goal of the present thesis had not been to produce statistically sound knowledge, but rather to explore particular institutional factors shaping social innovation in a northern context. Thus, first building blocks need to be confirmed by other studies in other northern regions.

Reliability is concerned with the replicability of research findings (Yin, 1994). Reliability of this thesis was achieved in several ways: (a) using multiple sources for obtaining primary and secondary data, i.e. in-depth interviews, scientific documents, companies’ reports, (b) having developed the theoretical framework and analytical framework from already existing theory, (c) explaining the methodology and research design. Furthermore, I conducted 14 interviews with the social innovation practitioners who have different roles in seven organisations as to have diverse perspectives on the same issues.

Hence, I can argue that all inferences from the data are accurate, and the present study was conducted in a such manner that none of extraneous factors did not influence the interpretation of the data.
CHAPTER 4. DATA ANALYSIS AND FINDINGS

The following chapter will present and analyse the findings gathered from the fieldwork. The presentation and analyses will be based on the theoretical section of this paper, and more specifically, the institutional theory, and the perspective of institutional voids. The analysis is structured in three parts, based on the research questions presented in the introduction chapter. Hence, in this chapter I will reveal the findings using the proposed theoretical framework and underpin the analysis with direct cite from informants.

In the first part I present briefly the cases and include findings related to the characteristics of the organizations involved in social innovation initiatives from the case studies. In the second part I present the particular institutional factors, as perceived by social innovation practitioners, that shape and constrain the emergence and development of social innovation in the northern context by approaching social innovation through the theoretical lens of institutional theory. In the third part I look at to what extent social innovation practitioners in Murmansk region are socially innovative and whether they are filling institutional voids.

4.1 Social innovation in the context of the Murmansk region

The following section includes a brief presentation of the organizations in which interviews have been conducted. The sample is composed of 7 organisations, all of them located in Murmansk region (6 organisations – in Murmansk, 1 – in Apatity, the Murmansk region). I have elaborated a table (see Appendix 5) of organisations including their characteristics such as name of the organisation, sector/area of expertise, location, size, age and mission.

The descriptive statistics constitute the starting point of my analysis. According to Adams (2012, p.20), ‘descriptive research is aimed simply at describing phenomena and is not particularly concerned with understanding why behaviour is the way it is. This type of research is very useful for setting out baselines’. Thus, I use descriptive statistics to summarize the characteristics of the organisations in my sample and the results obtained through the interviews with the representatives of those organizations in the Murmansk region, but I will not make any inferences from this data. Instead I will use it as supporting information for further qualitative analysis.
As the graph a. on the left shows, the organisations in the Murmansk region are involved in diverse activities such as education, social services provision, advice and competence development, etc. The most common sector of activity among the sample are educational services (2 organisations) and social services (2 organisations) followed by advice/competence development, increasing visibility and other sectors.

All of the 7 organisations that are part of the sample can be considered SMEs. According to the European Commission’s definition of SMEs (European Commission, 2015) this group of companies comprises micro enterprises (1 to 10 employees), small enterprises (11 to 50 employees) and medium-sized enterprises (50 to 250 employees). As it can be seen from the graph b, 100% of the examined social businesses have less than 50 employees with five organisations employing from 1 to 10 employees and only two organisations with a number of staff ranging from 11 to 50.

Most of the organizations in the sample (5) have been operating less than five years while only one have been operating between 11 and 15 years, as graph c. indicates. Most of these organisations are still in the start-up phase with 1 organisation existing for a half a year and 4 organisations whose operating activities range from two to five years. One organisation in the sample
has already overcome the start-up phase and has existed between six and ten years.

With regards to financing, all the organizations in the sample have their revenue as a financial income source and are funded with payments by users and recipients of services. However, six organizations also benefit from external sources to finance their operations, as depicted in graph d. These sources include money from public funds such as subsidies and grants (Providers: The Committee for Economic Development of Murmansk region, the Ministry of Labour and Social Development of Murmansk region) as well as money from donations.

Going more in depth into the different sources of income, graph e. illustrates the relevance of each income source in our sample. As graph e shows, six organisations in the sample are funded from occasional public transfers (subsidies and grants) along with revenues from recipients of the service they provide. One organisation gets funding through donations from citizens.

Finally, two organizations in my sample receive money from private trusts/funds, specifically, from sponsors. In addition, six organizations have received extra funding such as prizes that come with awards.

When it comes to the sector the organisation refers, graph f. shows that five organisations belong to the private sector and have legal status as individual entrepreneurs according to the Russian federal law 'On State Registration of Legal Entities and Individual Entrepreneurs', while two organisations are referred to the Third sector and are registered as NGOs. There are
no examples of organisations belonging to the public or mixed sector in the sample.

With regards to initiation level, this parameter refers to the source of the initiative to create a social innovation. When analyzing a social innovation it is useful to identify initiating party: government, bureaucracy or ordinary citizens (Popov, Omonov and Veretennikova, 2016). Depending on their initiator, social innovations may be divided into: ‘top-down” innovations (initiated by the state or by organizations and institutions that stand higher in the hierarchy of power) or ‘bottom-up’ innovations (initiated by ordinary people, public-sector workers, public servants) (Popov, Omonov and Veretennikova, 2016).

As it can be seen from graph g. six organisations in the sample are regarded as bottom-up with regards to their type of initiator while only one organisation has been established top-down. This means that the prevailing number of organisations in the sample have been initiated by ordinary people without Russian state’s interference.

4.2 Institutional factors shaping the emergence and development of social innovation in a Russian northern context

Research question 1: What are particular and unique institutional factors, as perceived by social innovation practitioners, that shape or constrain the emergence and development of social innovation in a northern context?

As with any change-focused activity, social innovation does not evolve in a vacuum, but rather within a complex environment of different institutional, political, economic, and social changes (Johnson, 2000; Kramer, 2005). Following the logic of institutional theorists (Campbell, 2007; Scott, 2005), formal institutions govern human behavior and organisations operating in countries, where there are strong and well-enforced regulatory institutions, will be more likely to implement social innovation practices in order to solve societal problems. The main function of regulatory institutions is to create the conditions for the development of social innovation, provide support for economic agents involved in social innovation in overcoming existing barriers as well as to maintain both financial and advisory support (Hamalainen & Heiskala, 2007; Popov, et al., 2016).
In analysing the data from interviews, seven of the respondents identified the lack of federal legislation regulating social innovation activities as the most crucial factor constraining the implementation of social innovation initiatives. This is underlined by the following statement made by one of the respondents:

‘What is really sad is the fact that still there is a lack of legislation regulating our activities in Russia… Russia currently has no law recognizing a social innovation. A legal basis would be important for establishing the field, as a clear sign from the top that social entrepreneurs were to be trusted… The only body establishes the rules of the game and this body is the Government of Russia. Only when young people come to rule in the Government, the institutions and rules of the game will change in a positive way’.

The same point was emphasized by another informant – the owner of ‘Sunny Home’ mentioned the following:

‘Unfortunately, we have very badly-developed legislation regulating relationships between public, private and the Third sector in social partnership and low level of legal awareness. It makes it difficult and very time-consuming to establish relationships with other sectors. I would say that the state is unwilling to assist. Policy-makers in Murmansk region promise a lot and convince us to cooperate. But when it comes to real attempts to collaborate from our side, it fails… However, there are some positive tendencies as well. For example, the term ‘socially-oriented NGOs’ has been introduced as a recipient of public support. Secondly, development of the microfinance institution, attempts to establish a branch of business incubators supporting NGOs regardless a form of ownership’.

However, in 2010 in accordance with the Federal Law ‘On Non-Commercial Organisations’\(^5\), the concept of ‘socially-oriented non-profit organisations’ was introduced in Russia. This concept comprises non-profit organisations carrying out activities aimed at addressing societal problems and the development of civil society. Besides, ‘socially-oriented non-profit organisations’ include organisations carrying out the following activities: social support and protection of citizens, preparation of the population towards natural disaster risk management, pro-bono legal advice and legal education & enlightenment, human rights protection, prevention of socially dangerous behaviours, development of international cooperation, preservance of languages, culture and traditions of the Indigenous peoples of Russian Federation, etc. The Federal Law implies state and municipal support of ‘socially-oriented non-profit organisations’.

Moreover, a new Federal Law №442-FZ ‘On basics of social services provision in Russia’ was introduced and came into force in 2015. The introduction of the law enabled to limit restrictions and paved the way for social investors as well as ‘socially-oriented non-profit enterprises’. The law aimed at excluding discrimination towards the Third sector in the social sphere. In addition, in 2014 a draft law on social entrepreneurship was introduced to the Russian State Duma. In accordance with the document it was supposed to introduce the concept of ‘social entrepreneurship’ in the legal field, which refers to the ‘socially oriented activities of small and medium enterprises, aimed at achieving the social goals, the solution of the social problems, including the support of people in difficult life situations’ (Agency for strategic initiatives, 2016).

Based on existing evidence, which guides the analysis in the present thesis, one of the main formal institutions that seems to play a significant role in shaping social innovation is regulatory systems. These findings support Scott’s ideas (2005) who emphasized the importance of regulative structures which promote certain types of behaviour and restrict others, thus influencing social innovation embeddedness (Scott, 2005). A solid foundation for the emergence of social innovation lies in the provision of an appropriate legal framework, adapted to capture needs of social innovation practitioners. The benefits of social innovation initiatives are increased when they are adequately supported by public policies as a number of analyses demonstrate (Noya & Clarence, 2013). Although the Government of Russia has taken first steps towards supporting ‘socially-oriented non-profit organisations’, laws, regulations and government policies in terms of social innovation development lag far behind Western European states. Therefore, a legal framework is particularly important in order to decrease the level of uncertainties for social innovation initiators in a Russian northern context and Russia as a whole.

However, the analysis shows that several social innovation practitioners consider regulative systems to be in place in Russia. For example, a deputy director of ‘Siyanie’ pointed that necessary regulation and support measures are in place to create the conditions for social innovation initiatives in the Murmansk region. This is emphasized by the following statement:

‘All the possible measures of support for social innovation initiatives in Murmansk region are in place. The success of the venture depends only on the organisation and social entrepreneur. Having explored the Russian

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6 Federal Law of 28.12.13 №442-FZ ‘On basics of social services provision in Russia’
legislation in detail, and found out that social sphere is gradually transferred to the private and Third sector by the state, so we have decided to establish a private organisation. This niche was free in Apatity.’

However, it should be noted that ‘Siyanie’ is the first private organisation providing social services in Apatity that is funded mostly from public funds and only a small part of finance comes from recipients of the services while other organisations in the sample are financed mainly through money from recipients of their services. The Ministry of Labour and Social Development of the Murmansk region covers the expenditures of the organisation ‘Siyanie’. In addition, the organisation has been a resident of the business incubator which enabled them to have an office at a reasonable price. This might be the reason for positive attitude towards regulation and support in the local level. The organisation offers both free and paid social services such as purchase and delivery of food, cleaning and cooking, computer learning, social taxi and accompanying to the doctor for disabled and elderly people.

On the contrary, the insufficient support from the local government, difficulties in accessing finance as well as lack of transparency in selecting candidates for government’s financial support were given high prominence by respondents in most organisations. Eight of the informants pointed to the difficulty in receiving some form of financial assistance such as subsidies, grants and loans without interests from the local government. This makes organisations dependent primarily on internal resources. Respondents reported discriminatory government loan practices and the lack of transparency in the provision of microcredit. This is underlined by the following statement of the owner of ‘Sunny Home’:

‘The local government assists social innovation practitioners through public support to their organisations, helping socially-oriented enterprises to implement their activities. For example, we have received a subsidy of 300,000 russian roubles \(^7\) from the Committee for Economic Development in Murmansk region for opening the third studio in Murmansk. However, it is really difficult to get the local government’s support for social oriented projects. The local government seems to be very conservative and inflexible in terms of selecting which projects will be given support. I would say that they support those initiatives that are absent in Murmansk according to their point of view, for example projects aimed at sport development while there are really urgent societal problems that can be solved by social innovation initiators’.

Regarding the lack of transparency in selecting social innovation projects for government’s support another respondent posed:

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\(^7\) 300,000 russian roubles = appr. 5000 euro
'There are different contests administrated by the local authorities. For example, the contest for socially-oriented non-profit organisations of Murmansk region is organized by the Ministry of Labour and Social Development. The winners are entitled to subsidies from the local budget for implementation of social innovation programs. Unfortunately it is very difficult to see how local authorities select the projects that will be given support. Considering the high rate of corruption and the importance of connections in Russia, it makes me sad that there is no transparency of which criteria are really used in selecting the recipients…'

Respondents focused on the lack of the regional government’s support and pointed to public investment, loans and means of repayments’ as ways in which the public sector in the Murmansk region can support innovation within the grant economy. For example, the owner of ‘Sunny home’ mentioned:

‘Once a month we organize classes for orphans from boarding schools located in Murmansk. Of course we do not charge money from them because we have special agreements with those boarding schools. It is nice to see how these children get happy painting in sand. However, I have to pay salaries to teachers and instructors. The Government of the Murmansk region could have reimbursed these expenses…’

These findings are in line with the findings of Shikhverdiev & Vishnyakov (2014) who pointed that unfair grant sharing, lack of transparency of decisions on grants, and money laundering are considered to be the crucial challenges to encouraging social innovation initiatives (Shikhverdiev & Vishnyakov, 2014). This implies the dysfunction of formal institutions for developing and supporting social innovation activities. Formal institutions have reinforcing effects for development of social innovation (North, 1991). The access to capital is important to social innovation practitioners as it lays the foundation for a socially-oriented organization. The analysis demonstrates the existence of specific barriers related to financial constraints that social innovation practitioners have to cope with in order to carry out their mission.

The regulatory dimension also relates to governance indicators such as corruption control and bureaucratic quality which are essential for the efficiency of enforcement of regulation (Lee & Law, 2016; Scott, 2005). However, corruption and bureaucratic malfunctioning seem to be normalized in everyday life of Russians and therefore they represent a normative pillar according to the Scott’s framework (2005). This is exemplified by the fact that three organisations have experienced corruption in different spheres. Several respondents noted that they faced corruption in the process of searching for premises for their organisation. Furthermore, a common view amongst interviewees was that they know situations when they need to pay and how much the bribe approximately will be. Based on the insights from interviews, the respondents are aware of the Russian realities and tolerate
corruption if it leads to economic development as an outcome. This finding supports the view of Øverland (2012) who found that institutionalization and normalization of corruption practices are high in Russia. Thus, the theoretical argument of Campbell (2007) that corruption affects social responsible behaviour is supported by the findings considering a number of organizations that mentioned corruption practices and intransparency as a substantial hindrance to social innovation initiation. Corruption coupled with bureaucratic malfunctioning plays an important role in shaping social innovation.

The socially-oriented non-profit organizations in the Murmansk region can participate in the contest for receiving subsidies organized by the Ministry of Labour and Social Development of the Murmansk region. Non-profit organizations registered in the Murmansk region and conducting the defined types of activities, such as prevention of social orphanhood, support for maternity; the improvement of the elderly people’s lives; social adaptation of the disabled and their families; advisory and consulting services for non-profit organizations providing social services, are entitled to participate in the contest (The Government of the Murmansk region, 2017).

However, according to the Order of the Government of the Murmansk region of 20.03.2017 № 141-PP, the rules of the contest require the recipients of the subsidies to report about the results of the activities the companies conduct. The instruction for recipients of the subsidy says the following: ‘In case the organization (recipient of subsidy) does not succeed in the market and does not achieve good results after using a subsidy, the Ministry requires an organization-recipient to return a subsidy during 10 days upon the application of the requirement’ (The Government of the Murmansk region, 2017). One of the respondents commented on this:

‘Subsidies can help your venture to flourish, even though they are quite modest. But always there is a risk of becoming a bankrupt and in this case you may turn out to be in debts instead of delivering social services to people who are really in need’.

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8 The order of the Government of Murmansk region of 20.03.2017 № 141-PP on the way of subsidies provision for socially-oriented non-profit organizations of Murmansk region for implementation of social programs in the sphere of social services provision
In addition, the reporting requirements as well as the application process for social enterprises are too onerous on behalf of the subsidy providers in the Murmansk region. This is underlined by two informants:

‘There is a deadline when you have to spend the money (subsidy provided by the local authorities), after this deadline you will have to report about the results your organisation has achieved after receiving this money and this reporting process is very time-consuming and bureaucratic’.

‘One of the main obstacles for social innovation development in Russia as a whole is paper bureaucracy when, for example, you have to collect a confirmation of the place of your permanent living even though it is stated in your passport. This is so time-consuming and annoying…’

The founder of ‘Kovcheg’ points out to the bureaucratic problems by stating that ‘Social Insurance Fund of the Russian Federation is one of the elements of the chain for receiving support but it takes extremely long time to get it because of bureaucratic problems’. The respondents also stated that they have to spend money given in the form of a subsidy in a very short period of time. For example, the founder of ‘Kovcheg’ noted:

‘We received a subsidy in September and we must provide social services to our target group, i.e. the disabled within 4 months because according to the Ministry’s rules, in December we must provide all the reporting documents how money has been used and how successful our results have been. If we do not provide services for the equivalent of the subsidy, we will have to return it.’

Thus, there clearly exists an imbalance in power relations between the state actor and the social innovation practitioners. Social innovation practitioners have to cope with the constraints imposed by highly bureaucratic structures. The insights from interviews support the statement that the ethical standards of government bureaucracy and public-sector institutions as formal societal-level institutions (North, 1991) may constrain and undermine social innovation activities. Low ethical standards in these formal institutions create operational barriers for social innovation practitioners especially in the context of government funding reporting (Christiansen and Chandan, 2017). Bureaucracy may also delay access to resources required to operate organisations with a social mission.

There is much evidence in my findings to support the Scott’s (2005) argument that formal institutions may be explicit constraints and incentives arising from government regulation. The analysis demonstrates that a lack of strong and well-enforced regulatory institutions affect economic agents’ decisions to engage in social innovation initiatives in Russian northern regions. There are a range of policies and funding instruments which different governments have used to enable and encourage social innovation. These include:
new regulatory and legal frameworks; favourable tax treatment as a means to incentivise social innovation; and the procurement and commissioning of innovative services (Young Foundation, 2012).

According to North (1991), informal institutions reflect collective meanings and understandings that influence cooperation and coordination among individuals in a society. Trust is a necessary condition for cooperative behavior in a society (Brunetto and Farr-Wharton, 2007). It becomes increasingly clear that individuals have lost confidence in the ability of the state to solve social problems and have assumed increasing prominence in their role as a force for transforming society. Their distrust toward state as a protector of their rights has resulted in an increasing number of social innovation initiatives aimed at alleviating societal problems. The issue of distrust was brought up by several interviewees in the sample. Respondents point to the distrust towards government, corruption, political instability and mistrust between different sectors. With regards to the distrust between sectors, one respondent emphasizing that NGOs are not entrusted by the private sector has noted:

‘Being NGOs makes it difficult to find a partner in business for the implementation of a social innovation initiative, there is a high level of distrust of businesses towards NGOs. For example, we wanted to take part in the Kolarctic Programme but we failed to find a reliable partner from the private sector’.

The analysis shows that while the formal means of co-ordination are important, successful partnerships and collaborative working is usually underpinned by personal relationships built up through informal interaction. This is underlined by the founder of ‘Kovcheg’:

‘Many people are afraid of politicians and distrust their words during election campaigns…I can tell you one story. I had to come myself on the wheelchair to the office of the policymaker of the Government of Murmansk. There were no stair climbers for wheelchair users in the building and my friends helped me to get me to her office. I asked her whether she could imagine how I managed to get to her office on the fourth floor. She seemed really embarrassed by the situation…Only after my personal visit we saw some actions from the Government of Murmansk for the disabled. That is the way how our ‘collaboration’ with the Regional government has started…Only after this meeting trolleybuses designed for wheelchair users appeared in Murmansk’.

The unfavorable situation in Russia over the past years has resulted in increasing rates of public distrust towards different kinds of structures and organisations (Antropova and Korobeinikova, 2015). There exist public mistrust towards nonprofit organisations and their engagement in solving societal problems, the public is still of the opinion that the government
is the only guarantor of social services. This is underlined by the statements of two respondents:

‘Unfortunately, many people in the region are afraid of businesses interfering in the social sphere because they associate businesses with only for-profit organisations. People are sure that if an investor interferes in the social sphere, people will automatically have to pay for services that used to be free when the government provided them to the population. But this not the case – if the service is free according to the law, the service will remain free regardless the actor providing the service’.

‘Public has a distrust of what the social impact sector can achieve. This is a shame because there can be found lots of success stories. The public’s view of nonprofits as less competent than for-profits puts scrutiny on social impact to be achieved. People less forgiving when a non-profit project doesn’t turn out as all would have hoped’.

As De Carolis & Saparito (2006) note, starting a socially-oriented venture involves reliance on others for various resources, ranging from social and emotional support to tangible and concrete assets (De Carolis and Saparito, 2006). Based on existing evidence, which guides the analysis in the present thesis, one of the main informal institutions that seem to be prevalent in the social networks is trust (North, 1991). My analysis shows that trust is important for individuals to engage in social innovation activities and facilitates the emergence and development of social innovation. The absence of adequate formal institutions and a low level of trust as an informal institution lead to a lack of cooperation and pursuit of few goals by social innovation practitioners.

The high level of distrust between sectors might be explained by a lack of information or its asymmetry among the public regarding the possibilities of the Third sector in solving social problems. Furthermore, businesses are not aware of the assets of the Third sector as well as the opportunities to outsource social innovation projects. As Antropova & Korobeinikova (2015) note, ‘the reason for insufficient public awareness about the Third sector might be a lack of awareness about the NGO’s usefulness in providing social services’ (Antropova and Korobeinikova, 2015). One of the most important indicators of Third sector development is a high level of the public awareness and support (Antropova and Korobeinikova, 2015).

A negative balance of trust in government, businesses and public institutions is still observed among the Russian population. There is a paradox that exists in the social consciousness of Russian citizens: many people are aware of the fact that the state is corrupted and inefficient in many regards but are still of the opinion that the state should play a great role in the economy and in the social sphere (Polovnev, 2015). This high level of
social expectations from the state is combined with the extremely low level of trust to the state and its institutions. Russian citizens demonstrate distrust towards businesses aimed at solving social problems.

Thus, the analysis demonstrates that a lack of trust between the sectors, public mistrust towards non-profit organisations and businesses aimed at solving social problems shape the development of social innovation in the northern context. Social innovations lack the public legitimacy and the public view social innovation practitioners’ activities as attempts to privatise the social and dismantle the state. This supports previous finding in the literature that a lack of public legitimacy and negative public perceptions of social innovation practitioners’ initiatives may have serious consequences in terms of market competitiveness, access to financial resources, policy support and staff recruitment (Nicholls et al., 2015). The level of trust might be influenced by regulative institutions, however, as it has been shown, formal institutions in Russia are weak to support the business environment and the behavior of businesses, so people are less likely to trust businesses.

Two of the organisations also mentioned the lack of adaptiveness of public sector in the Murmansk region. This finding is highly influenced by the local context, but it is worth mentioning that a slow adaptiveness and response to social innovation practitioners’ needs may affect the development of social innovation. This is underlined by the founder of ‘Kovcheg’:

‘The lack of adaptiveness of public sector institutions in the North is notorious. It seems to me that policymakers and civil servants in the Murmansk region have ‘frozen minds’. I mean that it takes so much time to process our application or request. Let’s take Kaliningrad region as an example; in 2015 the governor of Kaliningrad region has made a decision to grant the social enterprise an area for construction of equipment for the disabled people. Now the enterprise is cooperating with Germany, France and Netherlands and has achieved a success in production of the high-tech wheelchairs and other equipment for the disabled. In Murmansk it took a plenty of time only to find a place for our office…’.

Thus, it can be seen that public sector institutions in the Murmansk region have low adaptive capacity to changing realm. As Westley (2008) argues, public institutions must be ‘adaptive’ and ‘ever evolving’ to respond and adjust to the new and emerging needs of its subsystems – namely individuals and organisations which are part of the broader system (Westley, 2008). The insights from interviews reveal that the respondents find it difficult and time-consuming to promote their interests in collaboration with the local authorities.
However, referring to the dynamics of the development of the institutional social innovation environment, there are some positive trends and factors in the development of social innovation in the region. For example, many informants emphasized the importance of the geographical location of the Murmansk region as a northern region. The region’s proximity to Norway and Finland enables organisations to engage in cross-border cooperation. Several respondents have mentioned opportunities to participate in Kolarctic Programme and other cross-border projects. Several organisations have planned to demonstrate their activities in Norway. For example, the founder of ‘Sunny Home’ mentioned the following:

‘We have an idea of going to Kirkenes and organizing sand writing classes for Norwegian children providing entertainment and fun. We are willing to exchange good practices.’

Moreover, the School of Social Entrepreneurship was initiated by the Centre for young entrepreneurs in the Murmansk region. The school’s target audience is potential and acting social entrepreneurs, representatives of public organisations and people willing to implement a socially-oriented project. The education aims at providing theoretical foundations of social entrepreneurship, project management skills. The courses are delivered by qualified trainers in different fields, e.g. accounting, project management, business-planning, marketing, collaboration with government authorities and law. Thus, the analysis demonstrates that there are the steps toward the creation of the educational institutions aimed at disseminating social innovation practices in the region.

In conclusion, the findings show that the main reasons why many social innovation initiatives are hindered in the Murmansk region lie in the backwardness of public institutions, low governmental support, corruption, administrative barriers, gaps in the system of state regulation and a low level of trust. However, there are some positive trends such as the establishment of the School for social entrepreneurs in the region where people can develop a socially-oriented project with the assistance of qualified staff as well as border location of the Murmansk region creates favourable conditions for cross-border cooperation and exchange of good practices.

The analysis has enabled me to elaborate a table demonstrating dysfunctions of institutions or the lack of institutions or rules and norms regulating social innovation (see table 2).
Table 2. Summary of findings (Institutional barriers for social innovation development in Russian northern regions)

<table>
<thead>
<tr>
<th>Lack of institutions or their dysfunction with regard to social innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>A lack of institution of trust between social innovation practitioners and stakeholders</td>
</tr>
<tr>
<td>Poorly-developed institutions of public-private and municipal-private partnerships</td>
</tr>
<tr>
<td>A lack of regulative institution; a lack of legislation for social innovation and social entrepreneurship (gaps in the system of state regulation)</td>
</tr>
<tr>
<td>A dysfunction of institutional mechanisms of providing insurance and support for social innovation initiatives</td>
</tr>
<tr>
<td>Dysfunction of institutions for information search (information asymmetry)</td>
</tr>
<tr>
<td>Corruption</td>
</tr>
</tbody>
</table>

4.3 Social innovation as a response to institutional voids in the Murmansk region

Research question 2: To what extent are social innovation practitioners in the Murmansk region socially innovative and successful in filling institutional voids?

It is acknowledged that most social innovations initially stem from an understanding of the local context (Mulgan et al., 2007; Murray et al., 2010; Lettice and Perekh, 2010), thus it is deemed important for social innovation practitioners to recognise the present societal, economic, institutional, political and environmental challenges as these are often greater in developing countries and emerging markets (Mulgan et al., 2007). The starting point for innovation is an idea of a need that isn’t met, coupled with an idea of how it could be met (Mulgan, 2006).

The analysis demonstrates that six organisations in the sample had an understanding of the local context and the societal challenges that needed to be addressed and several organisations also questioned the root of the problem. The fact that northern regions face challenges in accessing important public services such as healthcare, social care, and education enabled social innovation practitioners to come up with new ideas for addressing those issues. Social innovation practitioners addressing public service voids believe that certain groups of people, for example, the disabled are suffering because they are not treated properly by the regional authorities. This is underlined by the statement of the deputy director of ‘Siyanie’:

‘We have recognised an opportunity in a state failure to provide properly home care services for the elderly people and the disabled and have examined the Russian legislation to find out that the state gradually transfers provision of social services to other sectors’.
The founders of the organisation identified the problem of low quality of social services delivered in Apatity. Furthermore, a roadmap to support social businesses introduced to the Ministry of Economic Development paved the way for the founders of ‘Siyanie’ to establish the organisation in Apatity. Thus, the founders intervened to provide access to those services through their initiatives.

The organization N identified that the employment rates for people with disabilities remain far lower than for people without disabilities. Persons with disabilities encounter barriers to employment in Murmansk. This is underlined by the following statement:

‘There is a great need for employment of the disabled in Murmansk. They are ready to work even for a modest income. Sometimes they spend half of their salary on taxi to get to work and home. We understand that social inclusion is the most important factor for them... We are very proud that we can provide jobs to people with sensory disabilities…’.

The analysis demonstrates that in the Murmansk region there is a problem related to the integration of the disabled in the labour market. The effectiveness of a quota system, aimed at stimulating labour demand by committing employers to employ a certain share of employees with disabilities, is found to be low. The commitments are not met by the employers due to different reasons. Many employers do not consider the disabled for the positions since they lack required skills; do not meet medical and other requirements for being employed in a particular organization. Furthermore, a lack of access to transportation affects hiring of people with disabilities. According to the data provided by the Employment Agency of the Murmansk region (2016), the number of disabled workers employed in 2016 was 748 people although 1481 employment quotas were granted to the organisations in the Murmansk region. Thus, social innovation practitioners tackle a labour market void, in particular, marginalization of certain group members from the labour market through the strategy of inclusion. Social innovation practitioners integrate the marginalised members in a working

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9 A document (roadmap) titled ‘Support for access of non-governmental organizations to the provision of social services’ was developed upon the initiative of the Agency for Strategic Initiatives in Russia. The roadmap contains a wide range of measures aimed at supporting socially-oriented non-profit organizations and social entrepreneurship in Russia. Among the proposed initiatives are the transfer of public social facilities into the management of private organizations and NGOs on the basis of concession agreements, interest rate subsidies and government guarantees on loans, as well as the introduction of certificates for citizens to obtain ‘non-governmental’ social services (Federal web portal for small and medium sized enterprises, 2014).
life by creating new jobs and inclusive workplace for the disabled and disadvantaged to meet their needs.

The limited offer of special and extraordinary educational services and increasing demand for learning activities for children in the Murmansk region were identified by ‘Sunny Home’ and Centre ‘Bolshaya Peremena’. The founder of ‘Bolshaya Peremena’ observed a need related to improvement of good communication skills among children in the Murmansk region and a lack of affordable activities for children in Murmansk. Unfortunately, schools as public institutions fail to provide a special environment for the development of communication skills. Those needs became an incentive to introduce a more innovative alternative – the organisation of the Centre ‘Bolshaya Peremena’. By having previously worked as a social teacher, the founder had a lot of experience in dealing with children. Thus, the founder of the Centre has identified an opportunity for providing educational and entertainment services for children aimed at developing children’s communication and teamworking skills. The founder of the Centre reported:

‘I understood that modern children and pupils must know how to communicate, make friends and work in a team. Today’s digitalization makes children highly introverted and unsociable. Many children cannot work in teams because they spend all the time on their own. Schools and kindergartens fail to learn these skills, so there was a strong need for a place where children could develop those skills with the help of professionals’.

Today the Centre ‘Bolshaya Peremena’ carries out excursion tours for pupils of different age, organizes holidays and graduation ceremonies, tours and provides educational services through different playing games aimed at the development of communication skills to children who stay in hospital. The demand for the services provided by the Centre is increasing since parents want their children to be sociable and spend time among other children. It should be noted that the centre provides free educational services to children from disadvantaged families and teachers’ children as well.

Mulgan (2006) notes that personal motivations also play a critical role in starting a social venture: people may want to solve their own problems, and they may be motivated by the suffering of friends or family (Mulgan, 2006). My findings also support the argument of Mulgan (2006) regarding a role of personal motivations in starting a social venture (Mulgan, 2006). This is the case of ‘Kovcheg’ where the founder is a wheelchair user. The founder was not satisfied with the conditions for the disabled in the Murmansk region. For example, he pointed to the absence of transport (buses, trolleybuses) designed for wheelchair users and special stair climbers in public premises and houses where wheelchair users live.
The co-founder of ‘Kovcheg’ also emphasized:

‘We have managed to open a wheelchair repair and maintenance workshop in Murmansk. However, houses in Murmansk still are not equipped with special stair climbers and that is a failure of our Government. We have an idea of manufacturing these climbers in the military factory that has all the necessary equipment and is not used for any purposes now. We submitted our proposal 8 months ago and still have not received any answer. But only imagine – if we start manufacturing, we will have two positive outcomes: stair climbers and a functioning factory’.

It is clearly evident that the Government of the Murmansk region alone is unable to ensure equitable care for the disabled. Specifically, based on the insights from interviews, healthcare for the disabled seems to have two challenges: availability and quality. Although social services are provided by the regional government, the quality of these services is often low and prevents accessibility of certain groups. In addition, ‘Kovcheg’ has arranged voluntary donation in order to collect money for purchase of a special wheelchair accessible van in order to organize social taxi for the disabled. However, the van was granted to the organisation by PJSC Murmansk Commercial Seaport in 2017 because the donations were low (Severpost, 2017).

Furthermore, several organisations have demonstrated an understanding of the following political context of the problems they address: ignorance of local politicians and a lack of systematic plans for improving the well-being of the disabled in the region. This is underlined by one of the respondents:

‘There are significant political obstacles to improving well-being of the disabled in Murmansk, with politicians often ignorant about the problems facing the disabled. Assistance to drowing persons is in the hands of those persons themselves. This quote is relevant for us since there is no permanent support from politicians towards the disabled people and they seem not to attempt to improve the conditions of disabled in public areas. I would say that we meet with the initial brick wall when we try to promote the interests of the disabled to the politicians’.

Several social innovation practitioners address regulative voids by lobbying or negotiating with the Government of the Murmansk region to change laws in favour of marginalised groups or create a favorable environment for them. One of the respondents notes:

‘When it comes to accessibility, Russian law seems progressive. The federal law guarantees that infrastructure is accessible to people with disabilities. However, the problem lies in enforcement. The regional government’s failure to enforce its own accessibility laws means that the conditions for the disabled people’s integration and
normal everyday life are still highly inadequate in Murmansk. Our organisation promotes the interests of the disabled on the local level. It is hard but we several steps have been taken by the government’. 

Moreover, in 2017 the Governor of the Murmansk region has approved regionally mandated enforcement mechanisms for implementing the convention ‘Accessible Environment’ \(^{10}\) and introduced changes in the planned activities in order to ensure an accessible environment, i.e. equal access to transport, the physical environment, information and communications, and other facilities that are provided to the public in the Murmansk region. The founder of ‘Kovcheg’ was able to lobby the regional government to introduce special trolleybuses for wheelchair users in Murmansk, which allowed the disabled to use public transport. However, most social innovation practitioners find it difficult to influence policy and decision making in Murmansk region.

The analysis also demonstrates that a lack of local knowledge can undermine the ability of social innovation practitioners to access networks with businesses and public organisations in order to start or sustain a social venture. One of the respondents noted:

‘I was searching for premises where my organization would be located. I went to schools, universities and other public organisations to find out whether it is possible to rent a place. Renting rates are extremely high in Murmansk and it is much cheaper to sign a renting agreement with a school which can rent its premises in the evenings. However, I was too young and naïve and did not realize how important personal connections and ‘awards’ in the form of bribes are... Now I am aware of how I have to act in order to succeed in such endeavours’.

Almost all (6) organisations in the sample identified pressing social, economic and environmental needs in the context of the Murmansk region and through discovery and assessment turned these into opportunities to create greater social value (Mulgan et al., 2007). They evaluated an opportunity to thereafter formulate and modify an idea with a social vision and mission (Hansen et al., 2002).

\(^{10}\) State programme: Accessible Environment, 2011-2015. The programme aims to ensure free access to priority facilities and services in vital spheres of life for people with disabilities and limited mobility by 2016 and to improve rehabilitation services and the state medical and social assessment system (The Russian Government, 2012).
My findings indicate that different government failures, i.e. ‘institutional voids’ were identified in which existing providers, i.e. the Government of the Murmansk region had yet not been able to meet. Most of the organisations deal with institutional voids and lacking structures. Many of the social innovation practitioners in the Murmansk region are filling voids in goods and services that one would typically expect from the public sector. They found new ways of addressing those problems regardless the weak institutional environment. This largely confirms the theoretical proposition of Mair & Marti (2009) that ‘by using substitute or complementary institutional arrangements, people or organizations might find some new and innovative ways to address the voids even under the severe conditions’ (Mair & Marti, 2009, p.422). Thus, most organisations showed an understanding of the social, economic and political challenges in the local context which led them to identify specific needs and initiate their projects. This is in line with arguments of Agostini et al. (2016) that within the specific context social innovation practitioners identify unmet social needs not previously addressed by others or poorly addressed which then leads to the opportunity recognition specifically present in those market failures.

My results are in line with an institutional voids perspective. As the institutional voids framework posits, when formal, rule-based markets do not function well due to institutional weaknesses, informal activities will fill the void (McCarthy & Puffer, 2016). Social innovation practitioners in the Murmansk region have recognized the inadequacies in formal institutions and took advantage of institutional voids to innovate socially in a strategy of inclusion.

Thus, the insights from interviews support the statement that institutional voids are not only the sources of social problems, they can also provide an arena for innovative opportunities (Puri et al., 2015) and business models. From this perspective, the existence of voids can accelerate social innovation by stimulating the actors towards meeting the challenges by recombination of resources at hand. The findings show that the innovativeness of social innovation practitioners can turn resource constraints into market opportunities. In this way social innovation practitioners do not leverage existing institutional resources but respond and address the lack of different institutions in a variety of contexts.

Consistent with Pache & Chowdhury (2012), ‘while traditional entrepreneurs solely operate in the commercial logic, the social innovation practitioners are institutionally embedded within the diverse and sometimes conflicting logics of commercial, social, and
public sectors, simultaneously’, the analysis demonstrates that all the organisations in our sample are embedded in diverse institutional logics, i.e. in the social welfare logic, the commercial logic and the public-sector logic. These logics shape the behaviors of actors significantly and social innovation practitioners must comply with their prerequisites and internally combine them to reach sustainable innovation (Pache and Chowdhury 2012). Five interviewed organisations reported that they combine social value with financial sustainability which leads to trade-offs. This is underlined by the founder of ‘Kovcheg’:

‘Sustainability of income and social mission is our ultimate objective for flourishing. We have to combine social and commercial aims. We therefore incorporate two organization forms in one and have a dual identity. We have to address social needs as well as have financial return to survive in the market. That is why we are constantly increasing a list of the payable services we provide’.

Thus, the findings demonstrate that organizations in the sample are expected to fulfill a social mission and at the same time maintain financial sustainability, following both the social and commercial aims and sacrificing social value creation for economic value capture. This is in line with Doherty, Haugh & Lyon (2014) that hybrid organisations need to balance the management of two or three logics. Following the social aims, organizations get additional access to resources, such as grants and subsidies. In this respect it can be said that hybridity works as an opportunity and advantage for social innovation practitioners.

However, as the analysis shows social innovation practitioners can be driven by ulterior motives or private gain rather than social good as well. In this perspective, social innovation practitioners mainly follow commercial goals aimed at increasing profits. Six organizations in the sample emphasized their social mission as a leading goal while only one stated income generation. This is underlined by the statement of one of the respondents (confidentiality was requested while citing):

‘When it comes to my motives for establishing a social venture, I would say that I was driven by the desire to be an independent person. I was tired of working for someone and not having a chance to increase my income. That’s why I decided to work for myself and establish my organization. I found a segment in the market which could bring profits. Of course, it is good that I bring some social value but the main purpose is generating income’.

Furthermore, this is the only respondent in the sample who is unaware of the term ‘social innovation’ and has not heard of it. Thus, one of the interesting findings is that some of the social innovation initiatives are not based on altruistic motives to fill the institutional voids and bring a social value – they can be driven by the pursuit of private gain. An
important implication of this finding is that being a socially-oriented organization, opportunities for gaining additional grants and subsidies emerge for such organizations which enhance chances for profit gaining. This finding is in line with the argument that although institutional voids can give rise to positive outcomes, they can also facilitate illegal activities and generate social costs that negatively impact sustainable growth.

Regarding the implementation of the social innovation, this often involves the testing and execution through prototyping or piloting (Murray et al., 2010; Mulgan et al., 2007). Incubators, which have long been widespread in business, have started to take off in the public sector and among NGOs, although practice and understanding remains very patchy (Mulgan, 2006). The analysis show that only a few of the organisations actually started out with testing the social initiative on a small scale before having the pilot phase. For example, the organisation ‘Siyanie’ being a resident of the business incubator tested its innovation in a social context with 10 clients in Apatity to prove its economic and social positive results. Meanwhile, most of the organisations started directly with the pilot, e.g. ‘Sunny Home’ which piloted its first sand writing school in Murmansk with such a great success that it decided to expand and open two more schools and collaborate with public and boarding schools. The owner has an idea of expanding internationally – there are plans of organizing sand writing trips to Norway.

The analysis also demonstrates that many social innovation practitioners are critical of gaps and deficiencies they see in established systems and arrangements. Their innovations are often intended to fill or make up for the limitations they perceive. Social innovation practitioners are therefore often critical of government and governance when they see these as unresponsive to human needs. In some cases, social innovation practitioners feel they are doing a job that government should do or is not doing well, e.g. education for marginalised people, universal health care, helping the disabled.

When considering survivability, another important aspect is the financial viability of the innovation (Murray et al., 2010), which each organisation to some extent tried to justify. Although all the organisations in the sample carry out income-generating activities integrated in their model, some may appear financially stronger or more self-sustainable than others. However, the fact is that such assessment is impossible to make due to the lack of financial data provided for this research, and thus a thorough evaluation of their financial viability cannot be presented.
Finally, the social innovation should be assessed on its current outcome and potential social impact (Howaldt & Schwarz, 2010). All the organisations have been found to be successful in filling the gaps by providing diverse services to the residents of the Murmansk region. The respondents emphasized the outcome of their activities: an approximate number of recipients of services, success in lobbying interests of the disabled at the regional level, a need for expanding a social innovation initiative. Two statements demonstrate the outcomes:

‘When we started our initiative, we had only 10 recipients of the services we provide. But now, the number is around 50 and we expect a steady increase’.

‘The sand writing school is very extraordinary for Murmansk: parents bring their children to our school since they want their children to develop different skills. Now we understand that we have to open one more school because the demand is constantly increasing for our services’.

The findings of this study propose some important answers to the research question that was evoked with reference to existing literature on social innovation: To what extent are social innovation practitioners in the Murmansk region socially innovative and successful in filling institutional voids? Firstly, the results show that social ventures can be successful in filling institutional voids in emerging economy northern context, where social problems abundant (Mair and Marti 2009; Dacin et al., 2010) and resources are scarce (Mair and Marti 2006; Di Domenico et al 2010). There is a number of institutional voids that can be filled by social activity. Innovativeness of social innovation practitioners to turn resource constraints into market opportunities enable them to fill institutional voids. Thus, social innovation practitioners use these voids to overcome with directing social innovation goals to social stakeholders aiming to change or reshape the different domains of the institutional environment by utilizing a large variety of actions, stakeholders and resources.

All the organisations are ‘successful’ in addressing identified market and state failures, i.e. negative externalities and institutional voids and could therefore also be regarded as social innovations. The analysis has enabled me to elaborate a table of institutional voids (see table 3) that social innovation practitioners are facing in the Murmansk region. All the cases had proven some sort of outcome. Thus, the study suggests that social innovation may offer a systemic approach to addressing institutional gaps, which is necessary in such fragile contexts as Russia.

The findings also show that social innovation practitioners try to bridge different logics like social-welfare and public-sector and commercial sector. However, the findings also demonstrate that there are cases when an organization labels itself as socially-oriented
organization although the main goal of the venture is profit generation instead of bringing a social value.

Table 3. The summary of findings

<table>
<thead>
<tr>
<th>Operationalisation of voids</th>
<th>Dimension</th>
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<tbody>
<tr>
<td>Regulative voids (isolation of certain groups from formal institutions)</td>
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</tr>
<tr>
<td>Knowledge voids (ignorance of local politicians toward problems facing the disabled)</td>
<td>Political</td>
</tr>
<tr>
<td>Planning voids (a lack of systematic plans for improving the well-being of the disabled)</td>
<td></td>
</tr>
<tr>
<td>Public service voids, i.e. failures in addressing externalities and the provision of public services (social, educational services, public infrastructure) which are poorly managed or not produced at all by the Government of the Murmansk region</td>
<td>Social</td>
</tr>
<tr>
<td>The inability of people to access quality public services (low availability and poor quality)</td>
<td></td>
</tr>
<tr>
<td>Affordability of social services</td>
<td>Economic</td>
</tr>
<tr>
<td>Labour market voids (marginalization of certain group members from labour market)</td>
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</tbody>
</table>
CHAPTER 5. CONCLUSION AND DISCUSSION

Few studies have investigated the institutional context shaping the emergence and development of social innovation in fragile scenarios of emerging economies characterized by institutional instability. Moreover, there is a lack of studies related to northern regions which are facing more social challenges compared to the southern counterparts. Therefore, the present thesis has made an effort to contribute to the literature on social innovation in emerging economies in particular in two ways: first, by exploring the influence of a spatial northern context and institutional factors embedded in this context on social innovation practitioners’ activities; second, by revealing to what extent social innovation practitioners are socially innovative and successful in filling institutional voids within the Russian northern context, i.e. Murmansk region. To address my research questions, I used insights from institutional theory (North, 1991; Scott, 2005) and institutional voids perspective.

The findings of this thesis propose some important answers to the research questions that were evoked with reference to existing literature on social innovation. The results of the study support the argument of Moulaert (2009) and Van Dyck (2013) that social innovation is regionally specific, context-dependent and a territorialised process. It is clear that the institutional context in Russia as an emerging economy is characterized with many problems and voids, rather than supports or encouragement for social innovation activities. The challenges associated with living in the North mean that social services are important to the well-being of the local communities (Rassel, 2009). Murmansk as a Russian northern region is a good illustration of how social innovation practitioners address institutional voids because of the government’s failure to provide proper social services. Thus, the present thesis advances the understanding of the influence of institutional context on social innovation initiatives in emerging economies.

I started with the proposition that the emergence and development of social innovation in a Russian northern context will be hampered by their weak institutional environment. Building on North’s (1991) ideas and Scott’s (2005) three-pillar framework, my case studies confirm the importance of both formal and informal institutions in social innovation development in the Russian northern context. Furthermore, social innovation initiatives are embedded in the weak institutional environment of Murmansk as a northern region. Formal and informal institutions play a ‘constraining’ role in the sense that they make it difficult for social innovation practitioners to overcome institutional challenges by directing social innovation goals (Agostini et al., 2016; Turker & Vural, 2017).
In answering the first research question, this thesis identifies several distinct institutional factors constraining social innovation development in a northern context. Recurrent factors, as perceived by social innovation practitioners, emerged from the interviews, including factors related both to formal and informal institutions (North, 1991). Formal institutional factors (see fig. 3) include: a) the absence of strong and well-enforced regulation for social innovation; b) the insufficient support from the local government; c) difficulties in accessing finance and d) a lack of transparency in selecting candidates for government’s financial support; e) the lack of adaptiveness of public institutions towards the needs of social innovation practitioners; f) asymmetry of information regarding the usefulness of social innovation; g) corruption and bureaucratic malfunctioning. The evidence from this study suggests that formal institutions have reinforcing effects for the development of social innovation (North, 1991). Another interesting finding was that corruption as a feature of business and administrative culture is associated with the normative pillar of Scott’s framework (2005) since corruption practices seem to be normalized in everyday life of the Russian citizens and social innovation practitioners are accustomed to bribes being a normal part of life and running a business. Corruption and bureaucratic malfunctioning are found to be embedded in the environment social innovation practitioners operate in and, as a result, affects their activities.

When it comes to informal institutions (North, 1991, see fig.3), trust, in my case distrust as an informal institution was found to play a significant role in constraining the creation and success of social innovation initiatives by: a) making it difficult for social innovation practitioners especially in the Third sector to collaborate with potential partners from different sectors; b) making it difficult to promote social services provision to the public since many people distrust the private and the Third sector in terms of providing social services. This finding is broadly consistent with Puffer et al. (2010) who argue that Russia is characterized by contradictory and unstable formal rules resulting in a high level of uncertainty and a lack of trust of outsiders and formal institutions. Building on my findings, I suggest that if there is no trust among sectors or between citizens, or sectors and the government, social innovations are facing hard odds and the public legitimacy may be undermined since social innovation practitioners’ activities can be seen as attempts to privatise the social and dismantle the state. This finding corroborates previous studies, suggesting that the reaction to social innovation initiatives may be negative since this challenges fundamental principles of the state (Nicholls et al., 2015). The importance of trust
underlines the need for a pro-trust environment in the interactions between social innovation practitioners, the public, the public and private sector in order to develop social innovation initiatives.

Lastly, a persistent cultural fear of failure as an informal institutional factor (North, 1991) is found to be a hindrance for starting up a social venture in Russia. It is interesting to note that in six cases out of seven of this study, respondents highlighted the risks related to implementing social innovation initiatives and emphasized that the fear comes from their general distrust of the environment, e.g. distrust towards the government, government officials, political and economic instability in the region and an increasing outmigration from Murmansk region.

The results point to either dysfunction or a lack of formal and informal institutions for social innovation development. These include a lack of regulatory institution, dysfunction of institutions of public-private and municipal-private partnerships, institutional mechanisms of providing insurance and support, institutions for information dissemination and search, corruption, and a lack of institutions of trust between social innovation practitioners and other stakeholders. However, the analysis demonstrates that several positive steps on the federal level have been taken, i.e. an introduction of a concept ‘socially-oriented organisations’, the Federal law on ‘Basics of social services provision in Russia’ and development of a roadmap ‘Support for access of non-governmental organizations to the provision of social services’. Moreover, the findings indicate that educational institutions as disseminators of awareness about social innovation are in the process of formation in the Murmansk region. Thus, my findings point to the importance of complementary support from formal and informal institutions in encouraging and facilitating social innovation activities in the northern context.

Although these institutional factors may not be unique only for Russian northern regions, but relevant for other Russian regions, they offer some novel insights in combination. In this regard, I contribute to the literature on social innovation by fostering a better understanding of the social innovation development in varying institutional contexts.

Furthermore, I contribute to the institutional theorisation of social innovation by using the ‘weak institutional context’ concept to show that social innovation practitioners in the Murmansk region engage in social innovation practices as a response to institutional voids caused by the state’s failures to provide sufficient social services (Mair & Marti, 2009). In the beginning I introduced the second proposition: despite the weak institutional environment
social innovation practitioners spot institutional voids as space for opportunities and find ways to address existing institutional voids in Russian northern context. The findings of this study suggest that opportunities for social innovation practitioners are embedded within inefficient, non-performing and absent institutions which is also supported by Mair & Marti (2009). Different stakeholders, such as companies, NGOs, local community, social entrepreneurs, social enterprises, among others, can fill the institutional gaps (Agostini et al., 2016).

Based on insights from my case studies, the findings show that social innovation practitioners consider institutional voids as opportunities for development in the context of Murmansk region and further support the findings of Mair & Marti (2009). The results of this study demonstrate that social innovation practitioners address specific institutional voids which are present in the weak institutional environment and their activities are directed at meeting the social service deficit in a northern region. These voids (see fig.3) include regulative voids; labour market voids; knowledge voids expressed by ignorance of the local politicians toward the problems facing the disabled; planning voids, i.e. a lack of systematic plans for improving the well-being of the disabled; public service voids, i.e. failures in the provision of public services; low availability, poor quality and affordability of public services. These voids can be grouped into three categories: a) social; 2) political; and c) economic voids. However, these opportunities are also intertwined with local informal institutions, such as trust and culture and, hence, opportunities for social innovation practitioners arising from institutional uncertainty stand at the cusp of relative institutional voids, formal and informal institutions. Thus, the findings demonstrate that although social innovation requires strong complementary institutions (Cambbell, 2007; Scott, 2005), which are not present in Russia as an emerging economy, social innovation practitioners in the Murmansk region are increasingly demonstrating efforts in providing social services and, thus, filling institutional voids which are not captured by local authorities.

Furthermore, consistent with Pache & Chowdhury (2012), this study shows that social innovation practitioners in the Murmansk region are embedded within the distinct and sometimes competing logics of commercial, social, and public sectors and have to bridge different logics effectively in order to reach sustainable social innovation (Pache & Chowdhury, 2012).
Finally, the present study underscores the ‘dark side’ of social innovation initiatives. Based on insights from my case studies, a notable finding is that social innovation practitioners can be driven not only by social good motives but mainly by ulterior motives or by the pursuit of private gain. Thus, my finding suggests that social innovation practitioners can involve a diversity of objectives and reasons for implementing a social innovation initiative, in which some are more likely to have an economic interest and others to be willing to fill institutional voids and bring a social value.

Overall, in answering the second research question, the main findings demonstrate that social innovation practitioners in the Murmansk region tackle social problems and their initiatives have characteristics of social innovation and could therefore be described as socially innovative to a large extent. Social innovation practitioners in the Murmansk region use the institutional voids and attempt to overcome them by directing social innovation goals. The organisations in the sample have positive outcome and are considered to be successful in filling institutional voids.

The present study has some theoretical implications. Taking into account that the concept of social innovation is highly context-based and therefore very closely related to spatial characteristics, the results may be useful to advance the analysis of social innovation from an institutional perspective, providing a greater importance to the formal and informal institutions shaping social innovation. The thesis reports several insights that may prove to be valuable for future research. First, the findings confirm the proposition that the development of social innovation is hampered by the weak institutional environment in the northern context with formal and informal institutional factors constraining the emergence of new social innovation initiatives. Secondly, an identification of the specific institutional voids social innovation practitioners address in the Murmansk region is presented in this study. Moreover, these voids are divided into three categories, i.e. social, political and economic.

This research represents an early milestone in addressing gaps in the knowledge on social innovation and institutional voids. Social innovation is a new phenomenon in Russia as an emerging economy and it would be interesting to conduct research on exploring normative and cognitive institutions (Scott, 2005) shaping social innovation in Russia. Moreover, an interesting area of research is to explore other institutional voids addressed by social innovation practitioners in different emerging economy contexts. It is also interesting to find out how social innovation practitioners manoeuvre their strategies in filling voids according to
the different cultures they operate within. Empirical research in the form of in-depth case studies or interviews with actors in different emerging economy country settings would provide new insights about social innovation development. Additionally, the future theoretical developments should be backed up by the lenses of different disciplines such as sociology, management and organization, marketing or economics.

In terms of practical relevance, my analysis on institutional factors shaping social innovation in the northern context is particularly insightful since it demonstrates a number of challenges facing social innovation practitioners. I anticipate that this study can ultimately inform policymakers about these institutional factors in order to promote social innovation and increase a number of social innovation initiatives through new regulatory and legal frameworks, favourable tax treatment and financial support of social innovation initiatives in the northern context which is characterized by a number of social challenges. The discussion carried out in the present thesis suggests that, from a policymaker's perspective, there is a need for structures able to foster social innovation by empowering the agents to act. Policies and regulations should be in place to incentivize potential social innovation practitioners to increase their social commitments.

Furthermore, from a policy perspective, my study is timely as many countries pursue social innovation-driven growth policies. Social innovation may prove to be useful for policymakers in Russian northern regions in addressing challenges, such as ageing populations, outmigration, etc. I encourage policymakers in Russian northern regions and Russia as whole to consider social innovation as opportunity for filling institutional voids.
Figure 3. A summary of findings

INSTITUTIONAL CONTEXT

**Formal institutional factors**

- **Regulative**
  - The absence of strong and well-enforced regulation for social innovation;
  - The insufficient support from the local government;
  - Difficulties in accessing finance;
  - A lack of transparency in selecting candidates for government's support;
  - A lack of adaptiveness of public institutions towards the needs of social innovation practitioners;
  - Asymmetry of information regarding the usefulness of social innovation.

**Informal institutional factors**

- **Normative**
  - Corruption
  - Bureaucratic malfunctioning
  - Trust - distrust

- **Cognitive**
  - a fear of failure

INSTITUTIONAL VOIDS

- Regulative voids;
- Knowledge voids;
- Planning voids;
- Public service voids;
- Low availability and poor quality of public services;
- Affordability of social services;
- Labour market voids

ACTOR: SOCIAL INNOVATION PRACTITIONERS

By filling voids social innovation practitioners meet social needs

Filling voids
REFERENCES


Appendix 1. Summary of five broad uses of the ‘term social innovation’ elaborated by Caulier-Grice et al. (Caulier-Grice et al., 2012)

<table>
<thead>
<tr>
<th>Examples of literature topics</th>
<th>Examples of themes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Processes of social change and societal transformation</td>
<td>o Role of civil society in social change</td>
</tr>
<tr>
<td></td>
<td>o Role of social economy and social entrepreneurs</td>
</tr>
<tr>
<td></td>
<td>o Role of business in social change</td>
</tr>
<tr>
<td>Business strategy and organisational management</td>
<td>o Human, institutional and social capital</td>
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<td></td>
<td>o Organisational efficiency, leadership and competitiveness</td>
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<td></td>
<td>o Sustainability and effectiveness of non-profits</td>
</tr>
<tr>
<td>Social entrepreneurship</td>
<td>o Role of individuals in creating social ventures</td>
</tr>
<tr>
<td></td>
<td>o Behaviours and attitudes related to social enterprise</td>
</tr>
<tr>
<td></td>
<td>o Businesses focused on social objectives with any surpluses re-invested</td>
</tr>
<tr>
<td>New products, services and programmes</td>
<td>o Public sector innovation</td>
</tr>
<tr>
<td></td>
<td>o Public service provision by social enterprises and civil society organisations</td>
</tr>
<tr>
<td>Governance and capacity building</td>
<td>o Interrelationships between actors and their skills, competencies, assets and social capital in developing programmes and strategies</td>
</tr>
</tbody>
</table>
Appendix 2. Different definitions of social innovation (elaborated by the author)

<table>
<thead>
<tr>
<th>Author</th>
<th>Title</th>
<th>Social Innovation Definition</th>
<th>Distinguishing features</th>
</tr>
</thead>
</table>
| Moulaert, Martinelli, Swyngedouw, Gonzalez, (2005)                     | ‘Towards Alternative Model(s) of Local Innovation’                     | Social innovation is path-dependent and contextual. It refers to those changes in agendas, agency and institutions that lead to a better inclusion of excluded groups and individuals in various spheres of society at various spatial scales. Social innovation is very strongly a matter of process innovation – i.e. changes in the dynamics of social relations, including power relations. As social innovation is very much about social inclusion, it is also about countering or overcoming conservative forces that are eager to strengthen or preserve social exclusion situations. Social innovation therefore explicitly refers to an ethical position of social justice. | Satisfaction of social needs  
Changes in social relations  
Empowerment dimension |
| Pue, Vandergeest and Breznitz (2016)                                    | ‘Towards a theory of social innovation’                               | A process encompassing the emergence and adoption of socially creative strategies that reconfigure social relations in order to actualize a given social goal                                                                                                                                                   | Changes in social relations                     |
| TEPSIE Consortium                                                       | ‘Social innovation theory and research’                              | New approaches to addressing social needs. They are social in their means and in their ends. They engage and mobilise the beneficiaries and help to transform social relations by improving beneficiaries’ access to power and resources.                                                                                         | Satisfaction of social needs  
Changes in social relations                      |
| The Stanford Social Innovation Review J. A. Phillips Jr., K.Deigmeier, & D. T. Miller (2008) | ‘Rediscovering social innovation’                                     | A novel solution to a social problem that is more effective, efficient, sustainable, or just than existing solutions and for which the value created accrues primarily to society as a whole rather than private individuals                                                                 | Satisfaction of social needs  
Social justice dimension                          |
| Mulgan et al. (2007)                                                   | ‘Social innovation: what it is, why it matters and how it can be accelerated’ | Innovative activities and services that are motivated by the goal of meeting a social need and that are predominantly developed and diffused through organisations whose primary purposes are social                                                                 | Satisfaction of social needs  
Motivations                                        |
| F. Westley (2008)                                                      | ‘The social innovation dynamic’                                      | …an initiative, product or process or program that profoundly changes the basic routines, resource and authority flows or beliefs of any social system                                                                                                                                           | Social and ecological resilience  
Complexity theory and systems thinking  
Empowerment dimension                           |
| Cajaiba-Santana (2015)                                                 | ‘Social innovation: moving the field forward: a conceptual framework’  | Social practices created from collective, intentional, and goal-oriented actions aimed at prompting social change through the reconfiguration of how social goals are accomplished                                                                                                                  | Satisfaction of social needs  
Changes in social relations                      |
Appendix 3. Interview guide

**Interview guide**

**The purpose of the present study:** the study aims to explore particular and unique institutional factors in the Russian northern regions that stimulate or constrain the emergence and development of social innovation. Furthermore, this study aims to explore to what extent social innovation practitioners are socially innovative and successful in filling institutional voids within the context of the Russian northern region, i.e. the Murmansk region.

1. Tell me about your organization.
   1a) Which sector does your organisation belong to?
      • Public sector.
      • Private sector.
      • Third sector.
      • Mixed
   1b) What is your role in the organisation?
      • Employee.
      • Manager.
      • Owner.
      • Other
   1c) How many people are employed in the organization/how many are volunteers?
   1d) How will you describe your clientele?
   1e) Who are your most important collaborators? (networks)

2. Which category/categories best cover(s) the initiative(s) your organisation works with?
   Probe:
   • Finance (e.g. grants, loans, risk capital).
   • Advice/competence development (e.g. mentoring, pro bono services, courses, guidance).
   • Incubation.
   • Network building (e.g. providing forums, making own network available).
   • R&D (research and development).
   • Education (all levels).
   • Increasing visibility (e.g. knowledge dissemination in general, increasing visibility for specific actors).
   • Legal framework (development and administration of legislation and regulations).
   • Strategy and planning/strategic development work.
   • Safeguarding business interests.
   • Other.

3. What is the primary objective of your organization/initiative?

4. How long has/have the initiative(s) been offered?
   4a) When was the organization established?
   4b) Who established the organisation?
5. How is your organization/initiative funded?
   - With money from public funds.
   - With money from private investors.
   - With money from private trusts/funds.
   - With payments by users/recipient of the initiative.
   - Other

6. In your opinion, what are the factors that have contributed to establishing your organization/initiative? Are there any gaps that contributed to establishing your organisation and which you try to fill?

7. Do you think your organization/initiative deals with challenges that are special to northern regions of the country or do you think that they are relevant for the whole country?

8. Do you know the concept social innovation? What does it imply for you?

9. In your opinion, what are currently the greatest challenges to social innovation emergence and development in Russian and, in particular, Murmansk as a northern region?

10. Which formal institutions (e.g. government, laws, policies, rights and regulations enforced by official authorities, etc.) do you consider as most important for social innovation development in Russia?

11. What informal institutions (e.g. social norms, customs or traditions, cultural practices and behavior, etc.) do you consider as most important for social innovation development in Russia? What role does trust play in facilitating social innovation?

12. Why do you consider these formal and informal institutions important?

13. What are the challenges your organization/initiative encounters in the implementation of its strategy?
   a. With the government
   b. With the market
   c. With NGOs

14. In your opinion, what needs to be addressed at the national and regional level for encouraging social innovation? What new initiatives for supporting social innovation are needed in Russia?

15. Is there anything you would like to tell me that I have not already asked, and you would like me to know?
Appendix 4. Informed consent

INFORMED CONSENT

Title of research project: Master thesis on ‘Social innovation as a response to filling institutional voids in a northern context – the study from the Murmansk region’

Name and position of researcher: Mikhail Kosmynin, Final year Master student, Nord University, Norway

1. I confirm that I have read and understood the information sheet for the above study and have had the opportunity to ask any questions.

2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving a reason.

3. I agree to take part in the study.

4. I agree to the interview being audio recorded.

5. I would like my quotes and the name of the organisation I am representing to be anonymous in publications.

Name of participant: Date: Signature:
### Appendix 5. A list of organisations

<table>
<thead>
<tr>
<th>ORGANISATION</th>
<th>SECTOR/AREA OF EXPERTISE</th>
<th>LOCATED</th>
<th>SIZE</th>
<th>AGE</th>
<th>MISSION</th>
<th>Type of initiator</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘Sunny Home’ (‘Solnechnii Dom’) - Sand writing school</td>
<td>Private/Educational activities</td>
<td>Murmansk</td>
<td>6 permanent full-time staff</td>
<td>2 years</td>
<td>Providing entertainment and sand writing skills for children</td>
<td>Bottom-up</td>
</tr>
<tr>
<td>‘Kovcheg’ – Regional Public Organisation of Disabled People</td>
<td>NGO/Providing social services for disabled people</td>
<td>Murmansk</td>
<td>3 permanent full-time staff (2 chairmen and one employee)</td>
<td>3 years</td>
<td>Assistance in integration of disabled people into society.</td>
<td>Bottom-up</td>
</tr>
<tr>
<td>‘Siyanie’ – social service</td>
<td>Private/ Providing social services at home for the elderly, disabled people, care for disabled children</td>
<td>Apatity</td>
<td>11 permanent full-time staff</td>
<td>0,5 year</td>
<td>Improvement of the living environment for pensioners and disabled people</td>
<td>Bottom-up</td>
</tr>
<tr>
<td>Centre ‘Bolshaja Peremena’</td>
<td>NGO/Educational services</td>
<td>Murmansk</td>
<td>3 permanent full-time staff and 2 part-time employees from St.Petersburg</td>
<td>5 years</td>
<td>Improvement of children and teenagers’s communication skills, teambuilding skills and creative skills</td>
<td>Bottom-up</td>
</tr>
<tr>
<td>STRIDER School (‘Severnii Veterok’)</td>
<td>Private/Increasing visibility</td>
<td>Murmansk</td>
<td>2 permanent staff</td>
<td>4 years</td>
<td>Involvement of children in physical training and integration of physical training in everyday life of children</td>
<td>Bottom-up</td>
</tr>
<tr>
<td>Organisation N</td>
<td>Private/Advice/Competence Development</td>
<td>Murmansk</td>
<td>7 permanent staff</td>
<td>6 years</td>
<td>Assistance to adoptiees</td>
<td>Bottom-up</td>
</tr>
<tr>
<td>Organisation M</td>
<td>Private/Manufacturing</td>
<td>Murmansk</td>
<td>22 permanent staff</td>
<td>11 years</td>
<td>-</td>
<td>Top-down</td>
</tr>
</tbody>
</table>