

1. Introduction

The focus of this paper concerns smaller foreign investors operating in the Russian agricultural sector as private farmers; essentially the foreign versions of the *krestyansko-fermerskiye khoziaistva* (peasant farms) that were the focus of the early years of agrarian reform in the Russian Federation, and who began their operations in the region during the “land rush...as part of the larger ‘hunt for the Next Big Thing’” (Visser *et al.*, 2012: 909). As recent research has indicated signs of general difficulty experienced by foreign investment in Russian agriculture – with even the flagships of Black Earth Farming and Trigon Agri described as “unprofitable” (Visser *et al.*, 2014: 1600) – and with the Putin administration shifting its focus to larger-scale agriculture, interest lies in the fate of these smaller foreign investors, set in the broader question of: ‘is there really a future now for smaller foreign investors in Russia?’. Of further curiosity is whether smaller foreign investors have displayed evidence of a ‘frontier mentality’ in the “unique and peculiar” Russian space (Lander, 2016: 1). There is an indication that there is still a gap present in Russian agriculture for the smaller foreign investors to operate within, but that a great deal of adjustment and navigation is required compared to their larger corporate counterparts. As such, this paper focuses its attention on the adaptive strategies that these foreign investors employ on the Russian ‘frontier’, looking to evaluate the close association with identity, and scrutinising the principal strands that run through the investors’ narrative and performance.

The paper is organised as follows: first, the nature of the ‘Stolypin-type’ *krestyansko-fermerskiye khoziaistva* is discussed to highlight the sector now penetrated by smaller investors; then, neo-colonial and ‘Cold War’ Western preconceptions, perceptions, and assumptions of Russia and its labour force are detailed to indicate the continuing and pervasive mechanisms still apparent amongst the spheres of business; additionally issues that centre on culture, corruption, gift-giving, and *blat* are comprehended to provide a framework for analysing investor behaviour and the adaptive processes that they employ; subsequently, the qualitative research methodology – consisting of in-depth, semi-structured interviews with three Anglo-American foreign investors, that were evaluated using narrative analysis techniques – is described; and finally, the findings presented.

Krestyansko-Fermerskiye Khoziaistva

The agricultural sector encompassed by the rule of the Russian Empire, the Soviet Union, and the Russian Federation has been in perpetual difficulty for the last two hundred years (Macey, 1994: i). With the initiation of *Perestroika* in 1985, Soviet attempts as a “‘moral’ imperative” to remove the last remnants of Stalin’s influence in the agricultural system, turned to the pre-revolutionary ideas of Stolypin’s – Prime Minister of the Russian Empire from 1906 until his assassination in 1911 – agrarian reforms, seeking to construct “a system of individual family farms based on private property ownership” (*Ibid.*: 1). Gorbachev’s political agenda – along with the dismantling of the *sovkhozy* (state farms) and *kholkozy* (collective farms) – was to create “Stolypin-type” farms (*Ibid.*: ii), or “‘peasant farms’ (*krest’ianskie[-fermerskiye] khoziaistva*)”, often referred to in the Western literature as private or individual farms (Wegren, 1996: 109). These reforms continued under Yeltsin

in the early 1990s; however, by 1995, it was widely recognised that expectations had not been met, and the private farms were failing (Macey, 1994; Pallot and Nefedova, 2007; Wegren, 1996).

Putin's ascension to power in 2000 brought a change in focus for the agricultural sector, as firstly Russia was propelled onto the world stage as a grain exporter, and now in recent times, an introverted agenda has altered attention towards self-sufficiency (Vassilieva and Smith, 2010). Russian land reform has shifted significantly: whilst Yeltsin had looked to smaller private farms to solve the "achilles' heel" (Jasny, 1951) of the Russian agricultural sector, Putin's administration has focused on improving the production of larger-scale farms, and financial apparatus have been utilised to this effect (Wegren, 2009: 79). Thus, "super-large" farm companies have developed, and although hope was held for the realisation of the early 1990s reforms, smaller individuals have largely failed to establish themselves (*Ibid.*: 5-6, 81), and the "peasant (or individual) farm sector...has remained relatively small" (Visser *et al.*, 2014: 1596).

Since the collapse of the Soviet Union, foreign investors have penetrated the Russian agricultural sector in various forms. The focus – both in academic literature and the media – has been on larger forms of foreign investment, especially that of a more 'corporate' nature (Capital Markets Consultative Group, 2003; Kuns *et al.*, 2016; Kuzmina *et al.*, 2014; Luyt, 2013). Outside of these lenses, however, are situated the smaller foreign investors who – with various degrees of success – have been operating in the Russian agricultural sector for some time as foreign versions of the *krestyansko-fermerskiye khoziaistva*.

Preconceptions, Perceptions, and Assumptions

Operating within Russia, all of the investors studied in this paper employ Russian labourers, and interact with the Russian business and political arenas; they have encountered a different living and working culture to that of their home countries, which they have attempted to interpret and navigate. There is a rich and diverse academic literature on the assumptions that foreign investors make about the Russian people and Russian labour, often constructed through 'Cold War' perceptions, informed by neo-colonial attitudes, and a lack of knowledge and experience of the cultural context; interestingly, some of these same preconceptions and biased opinions occasionally manifest in the literature itself. There is a trend in the literature to focus mainly on non-agricultural forms of investment, and, currently, very little exists of foreign investor opinion at the peasant or private family farm level of the agrarian sector; however, some effort has been made to close this gap, such as the research of Steggerda and Visser (2013) on Dutch farmers, and although their paper – as of yet – remains unpublished, it is a useful source for the purpose of cross-referencing against the more corporate, non-agrarian focused literature.

Lieven (2000: 25) opinions that the West has an "inherited...hostility toward Russia", and Shekshnia (1994: 298) explains that the unfair representation of myths and assumptions surrounding Russia "cause serious problems for international investors"; this "Russophobia" is grounded in "architectures of hatred, selected or invented historical 'facts' about the 'enemy' nation, its culture, and its racial nature" (Lieven, 2000: 28). Whilst Steggerda and Visser (2013: 8) do not speak of 'architectures of hatred', they parallel aspects of this sentiment, by pointing to the rhetoric of Dutch

farmers in Russia who “fram[e]...culture as the all-compassing explanation for frictions faced in Russian agriculture”.

Shekshnia (1994: 299) describes how for Westerners in the 1990s, “the image of [a] highly educated, smart, foreign language speaking ‘average Russian’ emerged” from the Soviet period. Although this image is positive, ever since Russia’s transition to a market economy, opinion amongst Western analysts and observers has changed, with the view that Russia – and its population – is in need of shedding its Cold War attitudes in an attempt to modernise, and normalise integration into the global community (Lieven, 2000: 25). Translating this to business, Russians are viewed as a skilful, yet naïve and misinformed group, in need of guidance and ‘Westernisation’ (Ahrend, 2000: 29). Due to ill-judged preconceptions, foreign investors entering Russia in the 1990s found Russian labour to be “the ‘riddle wrapped in an enigma’” (Puffer, 1993: 473), and the hopes that Western businesses had were often not realised (Shekshnia, 1994: 299).

Academic literature urges Western business to reflect on “one...perplexing aspect[] of the ‘Russian mind’:...motivation” (Puffer, 1993: 473), and attempt to ‘understand the Russian worker’. Whereas negative assessments in the agricultural sector point to lack of skills, demoralised workers, alcoholism, low productivity, youth emigration, and an ageing labour force (Liefert and Liefert, 2015: 509-510), more positive opinions in the services sector find workers to be educated, and aspirational, as long as “effective workplace motivational systems” are in place (Upchurch *et al.*, 2000: 512). The old ‘Soviet mentality’ – of a “reluctant[ance] to make decisions, take initiative and assume responsibility” – is thought to play a significant role in shaping the modern day Russian approach to the working environment, a hangover from the Soviet centralised command economy (Shekshnia, 1994: 303); this view is contentious, as other academics believe that communism generated a tradition of group work and loyalty (Fey and Denison, 1998; Linz, 2004; Upchurch *et al.*, 2000). Agrarian academia takes the view that Soviet policies “undermined the peasant's motivation to work hard or efficiently...[creating] the image of an indolent, overpaid and supine peasantry...[amongst] contemporary commentators” (Wegren, 1992: 9).

Academic literature also closely links motivation to salary, and a cynical view on the Russian worker is that “salary in their eyes is attached to the position, not to the performance” (Shekshnia, 1994: 303). Linz (2004: 277) finds that although pay is important to the worker, other factors such as “the chance to do something that makes them feel good as a person,...job security,...receiving respect from co-workers,...receiving praise from supervisor[s],...and the friendliness of co-workers” are related. Historically, the use of bonuses in agrarian Russia has rarely had a positive effect on motivation and effort: as a reward, its use was ineffective in the Soviet period as “labour productivity depended more on...machinery and other inputs than on real labour input” (Steggerda and Visser, 2013: 31); and as a punishment the withdrawal of bonuses was “an extreme step that often arouse[d] considerable antagonism” (Clarke, 2004: 417). Now, in modern times, business managers still do not treat the withdrawal of bonuses as an effective tool (*ibid.*: 418).

Academic consensus is that Western business should embrace motivational incentives that consider the Russian cultural context, instead of simply following a blunt trajectory of ‘Westernisation’ (Linz, 2004; Shekshnia, 1994; Upchurch *et al.*, 2000). However, the translation of these ideas to smaller foreign investors may still be lacking: Steggerda and Visser (2013: 25-30) highlight how Dutch farmers combined increases in salary and bonuses with a change in management approaches which

ignored non-financial motivational 'perks', and a reduction of employees negatively affected job security (*ibid.*: 25).

A divide in academic consensus appears at engendering reflexivity amongst Western managers. Although still recognising the Russian cultural context, Shekshnia (1994: 303) writes – in very neo-colonial, and possibly 'Russophobic', terms – of the need for staunch resistance to 'Sovietisation'; his research describes the "'Westernization' (*positive* outcome) and 'Sovietization' (*negative* outcome)...[where] one side has 'overpowered' the other and the whole venture has adopted its organizational culture, values, style, ethics" (emphases added). Rather than finding compromise, and adjusting management styles to assimilate the advantageous aspects of both cultures, the notion is for Westerners to 'resist the Russian way', "build[ing] on Russians' strengths...and block[ing] their weaknesses" (*ibid.*: 304-305); this rigid approach, ultimately, advocates Western business as the 'utopian model'. Puffer (1993: 479) alternatively suggests that Western business can integrate into the Russian environment through relationship building, and mutual cultural respect. Steggerda and Visser (2013: 25-29) show how Dutch farmers looked to involve themselves in participatory management to 'get alongside' the labour force, and although this was motivationally successful, there was "a certain distance...[and] high level of control" maintained with the labour force.

When studying how 'the West meets Russia', it is important to consider the "ethnocentric and egocentric tendencies" that disrupt the trust involved with international business (Brenkert, 1998: 308), the contexts of which include: historical issues, especially where past colonialism and imperialism are concerned; economic (historical) ideology, such as that of capitalism, socialism, and communism; racism; and cultural difference and openness. This was a salient point in the research of Steggerda and Visser (2013: 18) whose Dutch interviewees found that their "presence...was accompanied by distrust". Bahry *et al.* (2005: 526) find that, amongst other factors, 'outgroup' trust depends on held stereotypes, and "an individual's sense of being the victim of ethnic discrimination", and the authors conclude that "we should not prejudge the proportions" of trust exhibited by the Russian people, as it will depend on the attachments to a specific 'ingroup', and the stereotyping – or exposure to – certain 'outgroups' (*ibid.*: 529-530).

Blat and Gift-Giving

Further preoccupying academic literature are issues that centre on culture, corruption, gift-giving, and *blat*, the boundaries of which are often 'hazy'. The roots of modern day corruption in Russia are thought to have been established during the Soviet period (Cheloukhine and King, 2007: 108). Informal practices – defined as "regular strategies to manipulate or exploit formal rules...shaped by historical and cultural factors" (Ledeneva, 2008: 119) – such as favours, agreements, connections, and exchanges, became common place; all encapsulated by the Russian term *blat* (*ibid.*). More recently, *blat* has been considered a redundant term to describe contemporary corruption in Russia, replaced with the more categorised terms of "kleptocratic, crony, or oligarchic capitalism"; however, "to claim a decline in the use of the term,...is not the same as to claim a decline in the practice;...[*blat*] residues are everywhere, even in the present day" (*ibid.*: 134-140). As Ledeneva (2008: 134) explains, it is useful to discern the continuing and pervasive nature of *blat*, often discussed in the West as the endurance of the 'socialist mentality'. The author believes that modern

day *blat* is now used (often as a circumventive measure) in business environments, especially those relating to regional bureaucracy (*Ibid.*: 134-137).

Blat practices include gift-giving; it is widely understood that “virtually any resource, whether tangible or intangible, can be transformed into a gift”, and that this transformation is a social enactment set in various contexts (Sherry, 1983: 160). During Soviet times, gift-giving – thought of as ‘corrupt’ by Cheloukhine and King (2007) – was ubiquitous, widespread, and considered the norm. This has shaped modern day Russian ‘moral’ notions, and in the context of foreign investors operating in Russia today, the question arises of whether gift-giving is acceptable or desirable. Steidlmeier (1999: 121) explains how “many Westerners unfamiliar with Chinese culture often make the easy identification of gifts with bribes” and that this is “incorrect...[as] within Chinese culture...there are...moral parameters to distinguish morally proper gift giving from bribery and corruption”. Applying this notion to Russia – contrary to much of the contemporary literature – it may well be possible that gift-giving can be separated from that of bribery in certain contexts, dictated by Russian ‘moral parameters’. As navigating this dichotomy may be both confusing and problematic for foreign investors, the moral intention is, therefore, key in understanding the transition of a gift into corrupt behaviour.

According to Steidlmeier (1999: 125), reciprocal exchange can be separated into three categories: gratuity (including that of gifts), bribery, and commission. The analysis of which category an action will fall into needs to draw “upon core human values, respect for local traditions, and an appreciation of context”. The social purpose of a bribe is to “gain acquiescence”, whereas a gratuity is to express gratitude, and a commission is to simply pay for a service (*Ibid.*: 126). Steidlmeier (1999: 126) explains that there is a difference in the “degree of freedom” between a bribe and a gratuity, and that a bribe can be seen as a “condition for success”, whereas a gratuity can be “voluntary, but there may [also] be social pressure”. The author admits that “it is difficult to distinguish...[and that] the key difference seems to reside...in the intention of those who are involved” (*Ibid.*: 127).

Sherry (1983: 159) writes that a gift is not supposed to form a requirement of reciprocity, but in the West, this “basic etiquette” is usually ignored, and recipients are pressured to give back in return. Olivier de Sardin (1999: 34) indicates that parties involved in corrupt practices can consider their actions to be valid and genuine; with respect to gift-giving, these parties can consider it to be a non-corrupt form of expressing gratitude, and, hence, “the real [corruption] borderline...fluctuates” (*Ibid.*: 34). In contrast, it is also possible for the parties involved to use this ‘fluctuation’ to publically obscure the real intentions of the transaction by disguising bribes as ‘gifts’, whilst privately maintaining an openly corrupt stance. For this reason, Lambsdorff and Frank (2010: 348) contest the notion that gifts and bribes are the same as “bribes include a clear request for reciprocity...[and] gifts...include a vague expectation of favorable future treatment”.

2. Methodology

This paper is a qualitative approach to exploring the experiences of smaller foreign investors in the agricultural sector of Russia, drawing upon the interviews of three paradigmatic individual private or peasant farmers, all of whom began their farming ventures in Russia during and after the transition period of the 1990s, and can almost be understood as archetypal. These investors were selected

from a broader study of ten Western foreign investing companies in Russia, and they were chosen for analysis as they represented various points along a narrative and performance spectrum.

Three classifications of farm type usually appear in the literature: 'household plots', 'peasant or private family farms', and 'agricultural companies, large farm enterprises, or corporate enterprises' (Steggerda and Visser, 2013; Visser *et al.*, 2014; Wegren, 1996). As Wegren (1996: 109) clarifies, "Russian rural dwellers are hardly 'peasants',...[and so] Western analysts have tended to refer to Russian peasant farms as 'private farms' or 'individual farms', thus avoiding the misapplication of the word 'peasant'". The distinction between the three categories is significant: observers can be influenced by connections made in the literature between farm type and the size of land under ownership. For example, Visser *et al.* (Visser *et al.*, 2014: 1597) indicate the average sizes of typical household plots as 0.46 ha, peasant farms 60 ha, and agricultural companies 5390 ha, with the largest agroholdings – popularly described as megafarms – in this last category shown to operate huge tracts of land ranging from 100,000 to 700,000 ha. Yet, Steggerda and Visser (2013: 12) are concerned with classification by 'operational model' of the farm. Peasant or private family farms "combine and coordinate the demands and resources of...the domestic group or family and the farm enterprise" (Barlett, 1989: 271); in other words, family units "combine their own labour with management of the farms", and this differs from corporate farms "in which land, capital and management are linked to separate groups of people: owners, managers and workers" (Steggerda and Visser, 2013: 12).

In light of these differing foci, the investors' information portrayed in Table 1 (below) can offer some confusion as to the farm classification if not properly evaluated. With regards to an association with size of land under ownership, it can be seen that one investor owns 120,000 ha of land, and another 17,000 ha. Using such a rudimentary tool as size of land under ownership would be misleading, as both could fall under the classification of corporate farming, when, indeed, they are far from corporate. With this first example, the land is split across eight different regions, with only 35,000 ha operational divided amongst a number of much smaller individual farms; as well, with the second example, the investor is trying to lease the majority of the land to other farmers, and only runs an operation of 440 head of cattle on a much smaller plot.

Thus, this paper categorises farm type on the definitions of Barlett (1989), looking primarily at the ownership structure of the farms. All of the farms operate under single ownership, with the management structure centring on the owner as the primary decision maker; as such, there is not a distinct separation between owner and manager, and the investors "combine their own labour with management of the farms". A separation between manager and labour is, however, present, but this is permitted under the definition of private family farms (Steggerda and Visser, 2013: 12); all investors embrace this separation as employers of (predominately) Russian labour. Further, the investors' farms cannot be classically considered as corporate: they do not receive external investment (other than bank loans), employ a board, answer to shareholders, or adopt internal corporate structures. It is, therefore, reasonable to classify the investors under that of 'peasant or private family farms': a classification of *krestyansko-fermerskiye khoziaistva* that sits in the vast gap between the poles of the household plots and the large corporate enterprises.

Foreign investors for the research were contacted 'in the field', and the interviews took place between February-April 2014. Gatekeepers, established in Moscow, led to access of the Western

expatriate community, and the eventual interview participants, in a 'snowballing' effect. It is relevant to note that the development of the narrative and performance spectrum did not precede the selection of the interviewees; rather, the nature of the spectrum materialised once the narratives of the investors became apparent. The interviews were in-depth, and semi-structured – methods championed by Rose (1997), and Kitchin and Tate (2000) – and were examined using narrative analysis to understand the “how and why [the investors'] events [we]re storied” in particular ways, and “not simply the content to which [the investors'] language refer[ed]” (Riessman, 2008: 540).

Narrative analysis allows for interviews to be treated as storied rhetoric, and has enabled this paper to “retain the voice and integrity of the original speaker” (Taylor, 2010: 127). There is already precedence for the use of narrative analysis within Russia, with Pallot and Katz (2017) discussing interactions between gender, identity construction, and the Russian penal system. The narrative-based research of Stephanie Taylor (2010: 37), and Pallot and Katz (2017: 22) have both not been interested in ‘facts’ or whether interviewees are ‘telling the truth’; it is the shaping of these ‘facts’, their temporality, the space in which they were created, and to which audience they are aimed at that is of more importance.

In the same vein, this paper seeks to identify the principal narrative strands amongst the investors, and how they construct their identity; of less importance are ‘truth statements’, especially where opinions – that may well be rehearsed – of the people, culture, and ‘place’ of Russia are concerned. Noting the dramaturgical perspective – advanced by Erving Goffman – of the “Shakespearian notion that ‘all the world's a stage, and all the men and women merely players’”, this paper assumes that the investors dynamically altered their social performance “to construct impressions and evoke desired responses in their audience” (Cook, 2008: 235).

It is necessary to understand the construction of the performance, and scrutinise why the investors chose the identities, responses, and opinions that they did; identity construction was not solely constrained to rhetoric, and was, indeed, embodied through appearance. Further, the interview locations that the investors chose are of importance, as they provided the performance stage, and, accordingly, constituted part of the research field. Thus, the analysis of this paper holistically assesses the performance of these investors, and looks for the ‘visual’, as well as the ‘spoken’, in their narratives.

Just as Pallot and Katz (2017: 25) noted that their interviewees needed “extra reassurance about anonymity...[due to] the possible negative impact[s]” of the research, so did the participants of this study who were concerned about their image and relationships with the expatriate community, media, Russian state, and their labour forces. Anonymity allowed for the investors to express their narrative without fear of reproach, and thus aided the formation of a narrative that was closer to their ‘truer’ feelings, especially where sensitive topics were discussed amongst the frameworks discussed above; this was indeed one of the reasons that online interviews were discounted as primary data sources, as the lack of anonymity obscures these sensitive topics behind a journalistic narrative veil of success, optimism, and respect for Russian culture and society.

Attention should also be drawn to Russia’s annexation of Crimea, Ukraine in 2014, and these feelings of insecurity, and apprehension most certainly impacted on the participants, and possibly on their assessment of Russia. Though no tangible effect can be placed on the narratives of the investors, the

research must acknowledge that this geopolitical event would have entered their psyches. This is not to say, however, that this event would have skewed the narratives towards more xenophobic notions; equally, it may have allowed for the unveiling of ‘truer’ feelings, by creating an environment – especially amongst the expatriate community – where frank opinions of Russia were being openly discussed.

The three investors of this paper have been labelled to aid the reader in the imagination of their performance. However, this categorisation is not a narrowing or simplification of the investors; indeed, they were chosen as they denoted points along a narrative and performance spectrum, and academic investment studies often categorise in such a way (see Mionel (2012: 55) for her four categories of investor). The investors exist under postcolonial “Western expatriate narratives of emplacement...situate[d]...in multiple temporalities – postcolonial, post-socialist and postmodern” (Farrer, 2010: 1225); salient for this research, the author finds that “postcolonial...imaginaries seem developed most fully among white European and American settlers,...[with] foreign men, unlike foreign women, often us[ing] sexuality as a way to connect” (*Ibid.*: 1226). The first categorisation – the ‘Lone Ranger’ – describes the type of foreign investor who seemingly resists all adaptation to Russian culture, and preserves their own culture under most (if not all) circumstances. The second – the ‘Tolstoyan’ – describes the foreign investor at the opposite end of the spectrum who seemingly embraces all aspects of Russian culture and business understanding, effectively ‘going native’. The third – the ‘Protean’¹ – indicates the foreign investor whose identity and behaviour fluctuates uneasily between that of their homeland, and that of Russia. At the time of the research, no foreign investor satisfied the attributes of a possible fourth category: a foreign investor who amalgamates aspects of both cultures, and thus differentiates from the ‘Protean’ due to the absence of uneasy fluctuation.

The Investors

[Table 1]

Investor 1: The Lone Ranger

Investor 1 is a white, male, US national, from a line of family cattle ranchers in Iowa; he was interviewed multiple times in February-March 2014. Born in 1950, his formative years had been during the heightened periods of tension between the West and the Soviet Union. Despite no Russian language, nor having any contacts in Russia, he boarded a plane to Moscow in 1989, and become involved in agricultural supply. In 1998, he started growing potatoes on a small scale, and in 2001 he began importing seeds and fruit, expanding his operations considerably over time. In 2008, after realising that there was a Russian market for high quality produce, he started to buy agricultural land to grow and replace the crops that he was importing.

¹ This term is used to reflect the nature of Proteus, a water god from Greek mythology who had the ability to shape-shift and alter identity

At the time of the research, he was involved in producing cereal, fruit and vegetable crops, in the regions of Bryansk, Astrakhan, Tver, Vladimir, Volgograd, Rostov, Anapa, Smolensk, and Chechnya. He owned 120,000 hectares of farmland, of which 85,000 were still to be developed, and employed approximately 95 workers. He asserts that in 1989, he came to Russia with \$5 million, and that once he decides to leave Russia, he will *“walk out with about two, three hundred million dollars”*.

As a Lone Ranger, investor 1 was a strong enforcement of an American stereotype. During interviews, he wore the boots and hat of a traditional cowboy, and walked through Moscow proudly displaying his cultural heritage; indeed, the first interview – on his request – was held in the ‘Starlight Diner’, an American themed 1950s diner in central Moscow that was to become the ‘stage’ and visual extension of his narrative during many of the interviews. Investor 1 was ‘visible’, and although he requested anonymity in his interviews, he was loudly audible – even with ‘controversial’ statements – and was not concerned with who could overhear him.

Investor 2: The Tolstoyan

Investor 2 is a white male, who first moved to Russia *“to find a certain types of coal”* for a Romanian steel mill. Soon after, he married a Russian woman in 1994, and converted from British to Russian citizenship in 1997. *“Romanticism and Russian faith”* in the Orthodox religion led him to his *“destiny”* of farming, and, in 2005, he completed a *“Western-style”* milk farm in the Vladimirskaya oblast after purchasing the land of an old collective farm. According to his website, his farm holds 3100 head of cattle, and employs 43 staff. He invested a vast amount of personal finance into his farm; however, the farm had not been financially successful: *“It’s a bad decision. I like it as business – I think as an individual, it’s made me very rich, it’s given me insight into a way of life – but I’ve lost a hell of a lot of money on it”*. Recently, this research has discovered through Russian media that he is selling the farm, citing age and his children’s reluctance to assume the management of its operation.

The Tolstoyan category is particularly interesting given its relevance to Shekshnia’s (1994) ‘Sovietisation’, and its appearance in academic literature; Ferraro and Briody (2016: 247) state how one’s behaviour should *“not entail adopting the thoughts and behaviors of others as your own – that is, ‘going native’”*; here, a ‘Tolstoyan’-type is viewed as the opposite to *“hav[ing] high self-esteem, valu[ing] their cultural roots, and com[ing] to the global arena as [a] mature adult”*. The same authors suggest that by *“going native,...many people tend to be suspicious of anyone imitating their gestures or behaviors”* (*Ibid.*: 162).

As a Tolstoyan, investor 2 had abandoned the Western appearance of his English heritage, and instead donned deeply traditional Orthodox clothing – during the interviews this consisted of brightly coloured, patterned blue and green shirts – and a traditional long white beard. Investor 2 chose his stage for the March-April 2014 interviews: the Radisson Royal hotel (historically ‘Hotel Ukraina’), a five-star luxury hotel in Moscow that is a favourite of both wealthy expatriates and Russians alike, and the place that investor 2 stayed at between his business visits. Investor 2 was also ‘visible’, and chose to have the interviews in the main lobby of the hotel, stopping to converse with social and business acquaintances that passed by; his insistence on anonymity thus kept his rhetoric secret, whilst his performance - of being interviewed and ‘important’ – was in view of these acquainted circles.

A year after the interviews concluded, investor 2 questioned President Vladimir Putin, in person, during Putin's annual televised marathon phone-in; Putin's response on learning that he had British origins was to ask if he had migrated to Russia to "cherchez la femme" (find the woman). This is a relevant point to consider with regards to his identity construction, as this attitude points to long-held resentments at expatriate migrants marrying Russian women, and the broader well-publicised phenomenon of Western men 'looking East' for women of a certain age and perceived beauty who may not be available to them in their homelands (for an interesting insight, see the BBC documentary "Louis Theroux's Weird Weekends: Thai Brides").

Investor 3: The Protean

Investor 3 is a white, male, US national, and was interviewed in April 2014, both in person in a shopping mall restaurant in Moscow, and over Skype where he was at home. Like investor 2, he is married to an ethnically Russian woman. His land consists of 17,000 ha spread across the Tambov, Penza and Saratov oblasts, bought in 2009.

The intention was to bring the land into production, and prepare it for an Initial Public Offering (IPO) on a stock exchange using investors in New York; however, this was never realised after a dispute with a Russian consultant who was hired by the New York investors. Investor 3 claims that this consultant operated out of a Cypriot holding company, and managed to forge his signature, gain control, empty the bank accounts, and "*make it look like...[he] had voluntarily sold the company to some alcoholic*". The consultant subsequently vanished, and has never been able to be traced or prosecuted: "*I look for him on Yandex every now and then; five years later...still nothing shows up*". Investor 3 was eventually able to claim compensation from the New York investors, and keep control of the farm – "*I think they would have paid me to shut up, because they were in a situation where they...[had] hired some bandit who robbed me*" – but, soon after, they subsequently withdrew their financial backing for the IPO.

Following this, his intention was to lease the land to farmers, but he was unable to find enough people, and so only leases approximately 2500 hectares to local Russians who use it to grow crops. In Tambov, he has a cattle ranch holding 440 head, and supplies beef to the Russian domestic market. He works with a Russian employee, and uses a farming co-op to supervise the herd in his absence.

The appearance of investor 3 was entirely unremarkable; that is to say that he would not 'stand out' amongst a crowd in either the US or Russia. His clothes were loose fitting and comfortable, his face shaven and hair short, and every aspect of his appearance was quite non-descriptive. His chosen stage was an inconspicuous shopping mall restaurant that sold Italian style dishes, as well as traditional Russian food, and reflected his protean nature.

3. Analysis

Relationship with State Institutions

Russian law “prohibits agricultural land sales to foreigners, foreign firms, persons without Russian citizenship, and Russian firms in which foreigners hold a majority stake” (Wegren, 2002: 654), though foreigners are permitted to lease agricultural land for a maximum of 49 years (Butler, 2006; Wegren, 2002). Despite this legal deterrent to foreign land ownership, the investors have, in fact, been able to ‘modify the identity and nationality’ of their farms to circumvent these regulations, thus highlighting a distinct ‘loophole’ within the law. The ‘loophole’ works on the basis of a *grandparent structure*, whereby a foreign company (the grandparent) owns a Russian subsidiary company (the child), that in turn owns another Russian subsidiary company (the grandchild); under Russian law, this grandchild company – technically owned by a Russian company – can then own agricultural land:

I have my American company own a Russian company. This Russian company owns another Russian company, and that owns the land. It's one step removed. (I1 Lone Ranger)

The investors believed that this loophole was a purposeful mechanism, through which the Russian government was able to encourage foreign investment ‘behind the scenes’, whilst publically denying political support. All the investors employed this grandparent subsidiary structure.

Regulations for the operational rules and procedures of agricultural land in Russia are divided between several laws. Of importance is the *Civil Code of the Russian Federation*, which details two conditions in which land can be removed from the owner: 1. the land has not been used for its allocated and intended purpose for three years; and 2. the rules for the use of the land have been violated, such as those concerning pollution and environmental preservation (Kadastr.org, 2014).

It is quite rare for smaller foreign investors to structure an integrated legal department to advise throughout; reliance is instead placed on hired lawyers. As such, the investors did not tend to fully understand, or pay attention to, the intricacies of the law, and, indeed, left themselves open to prosecution. In these instances, the investors viewed legal enforcement as doctrinaire, often acting against reasonable operating expectations of the land: “*Who gives a shit?*” (I3 Protean). When faced with the possibility of fines or repossession for violations, the investors could choose various forms of direct consultation with regional governments. Negotiation and lobbying could yield favourable outcomes if a rapport could be struck with the administrators and governors in charge, or alternatively, the investors could elect to challenge the regional governments in court. Court proceedings were primarily used because the investors felt that regional governments needed to recognise that foreign investors could challenge them effectively. When lobbying or court proceedings were deemed pessimistic, or indeed tedious, alternatively the investors could decide to simply accept the fines, although they found this route irritating.

The investors that fell on difficult financial times – such as those created by macro-economic conditions, or by changes to farm subsidy structures – and could not continue to operate parts of their land as a result, felt a lack of understanding and support from the regional governments, who

perpetuated difficult economic environments by fining for land use violations (in these cases under-usage). This had, on occasion, forced the investors into insincere gestures of obedience, such as investor 2 (Tolstoyan), who rented out some of his land that he could not afford to operate, and mowed the grass on other parts every four years to 'prove' that the land was not violating agricultural usage policy.

The investors spoke of how they tended to rely heavily on subsidies – the two forms of which are federal and regional – for the successful operation of their businesses. Subsidies are only available to Russian farms, and so the grandfather structure of the foreign investors played a vital role in securing them: “*get yourself a Russian company with you as a very silent owner*” (I1 Lone Ranger). The investors explained that significant economic difficulties arose when governors decided to cut subsidies whilst still maintaining the same farming expectations for the land; these difficulties resulted not only with the loss of income, but also legal fines for not satisfying the Civil Code land requirements.

Despite reaching self-sufficiency in grain – and indeed becoming an exporter – by the mid-2000s, Russia had struggled to reach the same independence in its livestock sector. In 2010, the government published the *Food Security Doctrine of the Russian Federation*: a “framework that outlines Russia’s objectives and goals for ensuring domestic food security” (Vassilieva and Smith, 2010: 2). With the food security issue widely recognised as being politically driven by the need for self-sufficiency, rather than competitor advantage, the Doctrine details minimum production targets as the share of domestic production: 95 percent for grain, 85 percent for meat, and 90 percent for milk and dairy products (*Ibid.*: 2). The Doctrine lacks a “time frame or means for achieving these targets”, but calls on “public authorities...[to] pursue a common national economic policy...taking into consideration regional specifics” (*Ibid.*: 11).

The investors felt that the regional interpretation of the Doctrine had been problematic as “*all the different regions [we]re being made to justify themselves in Moscow as to, ‘what are you doing to grow more beef?’*” (I3 Protean). This meant that as the regional governments were under pressure to increase their numbers of beef and dairy livestock, a great deal of pressure began to be applied to the investors – even those who were solely arable producers – to diversify into this type of production. Interestingly, this pressure was not in the legal form, and the investors claimed that it was often applied *ex post facto* after land purchases had been agreed and ratified, and without any consideration of its economic viability.

The interference by the regional authorities into what ventures should operate on the investors’ private land, indicates a cultural difference of what exactly constitutes ‘private land’. Russian views of land ownership are formed from the Soviet opinion that ‘land not used is land wasted’ – “an argument that carries much emotional weight in Russia” (Pallot and Nefedova, 2007: 102) – and the investors felt that the Russians did not comprehend the concept of fallow land. Their ‘Western’ understanding of land ownership differed greatly to this, and they expected more autonomy: “*There’s a law for not working on farm land that I bought, my own land that I now own!*” (I2 Tolstoyan). Effectively at an impasse, expectations that both parties had of each other endured in an antagonistic relationship, and indicated no sign of abating. It is possible that both parties were dissembling their true opinions: the local authorities may well have understood the concept of private ownership, but preferred to chase the fines; and the investors’ reasons for moving to Russia

may well have been to escape regulation on private land ownership in the West (a form of 'frontier mentality').

It is significant to note that rather than anticipating and proactively adapting to Russian regulation and agricultural law, the investors chose reactive steps to address issues through negotiation, lobbying, and challenging decisions; fines for regulation violations were only reluctantly accepted, lamenting *"these idiots"* (I2 Tolstoyan) and *"the problems they identified [that] were bullshit"* (I3 Protean).

Discrimination

The investors seemed to certainly "prejudge the proportions" (Bahry *et al.*, 2005: 529-530) of trust exhibited by the Russian people. Alluding that they have suffered generalised discrimination, the investors believed that *"things haven't changed"* (I1 Lone Ranger) since the Soviet period, when the Soviet Union was opposed to the West: *"sixty percent, seventy percent of Russians still think Americans are not nice people anyway"* (I2 Tolstoyan); *"I don't think they want foreigners here; Russia's for the Russians"* (I1 Lone Ranger).

The investors' continued use of 'Cold War' rhetoric to problematize feelings of animosity, sustained Western *"perceptions about how things were like"* in Russia, and aided supposition that the political environment was a result of the *"thought [that] we were gonna come in, and invade 'em, and kill 'em, and take 'em over"* (I1 Lone Ranger). This discrimination was felt to transcend into the business and legal environment, hampering the investors' effectiveness of using regulatory systems:

My interpreter was interpreting,...and the judge stopped, 'Who's talking when I'm talking?', and she said, 'Well he's an American; I'm interpreting what you're saying', and he said, 'Case dismissed!'. And so he changed judges. (I1 Lone Ranger)

Interestingly, in the investors' discourse, notions of discrimination were separated from corruption, which the investors claimed to be pervasive throughout. Corruption could be controlled or abated – *"corruption is everywhere;...it is just how you deal with it"* (I2 Tolstoyan) – and did not appear to be as *feared* as discrimination.

Maintaining Relationships

Given the abovementioned topics, the investors realised the necessity to *"get on with your governor very well"* (I2 Tolstoyan); the ability to read the personality of the regional administrators was, therefore, advantageous. The approach to maintaining relationships of investor 2 (Tolstoyan) hinged on the hope of being recognised as someone who had internalised Russian (or sometimes Communist) culture, therefore becoming 'one of us' – to an outsider, 'going native' – and trust was given to the authorities based on the assumption that Russian members of state would – at least in part – possess positive remnants of Communist ideology: *"I made an assessment that in Vladimir, we had the last Communist governor, and I thought he would help more;...it worked the other way round"* (I2 Tolstoyan). Investor 1 (Lone Ranger), on the other hand, viewed relationships as a

'double-edged sword', in as much as the relationships could lean towards certain 'alien' notions of *blat*, generating unanticipated pressure, and he looked to build relationships whilst reserving trust:

When you go to a new region...[the governor] will want to introduce you to his friends. He doesn't really push you to do it, but you need to do something with his friend because somehow, there's a benefit to him in that project...If you cut him out completely, he'll see no need to help you out in the future...What you call 'one hand watches the other'. (I1 Lone Ranger)

Investor 3 (Protean) fitted somewhat in between, neither largely giving nor withholding trust, and instead indicated that the maintenance of relationships was of less importance.

In addition, relationships with governors could allow for the creation of power to fend against business associates "*screw[ing] you*" (I1 Lone Ranger); however, relationships such as these could be somewhat fickle, and the investors expressed caution at 'over-valuing' their longevity "*because...they can get rid of you if somebody better comes down the road*" (I1 Lone Ranger).

Gift-Giving

Following Sherry's (1983: 160) 'tangible' and 'intangible' gifts, the investors described interesting processes used in their relationships with regional governors. One such intangible example appealed to the egos of the governors, and offered them beneficial publicity: governors were often invited (or allowed) to give public speeches and addresses at the farms, or 'cut tape' at new buildings, to showcase their own political agricultural focus. Investors 1 (Lone Ranger) and 3 (Protean) tended to treat this process as intangible in the true sense, as given that there was often no request for reciprocity – with "an appreciation of the context" – the appearance was one of a gratuity: "voluntary...[though] there may [also have] be[en] social pressure" (Steidlmeier, 1999: 126).

On the other hand, investor 2 (Tolstoyan) described the same type of process, but with the identification of the need for reciprocity, and an admission of his true intentions: "*We socialise with the local administration, and help the local governor...It's not political influence; it's local administration influence to tell them to stop, or reduce the fine*" (I2 Tolstoyan). As the "the key difference seems to reside...in the intention", this help could be viewed as an act of bribery, especially given the existence of a "condition for success" (*Ibid.*: 127) or a "clear request for reciprocity" (Lambsdorff and Frank, 2010: 348), and no contrary evidence that this help is borne out of "respect for local traditions" (Steidlmeier, 1999: 125).

Again, regarding tangible gifts, there appeared to be a split between that of investors 1 (Lone Ranger) and 3 (Protean) on the one hand, and investor 2 (Tolstoyan) on the other. The former accepted the roles and implications of tangible gifts in issues of bribery, especially concerning respective corruption laws pertaining to their home countries: "*You gotta be careful 'bout the presents you give 'em...because it's a US law*" (I1 Lone Ranger). Investor 2 (Tolstoyan) – in spite of knowledge of Western laws that indicate the contrary – only seemed to identify bribery as a monetary device, and did not equate gift-giving in the same moral vein: "*I don't pay any [bribes], I've never paid any...We give presents at Christmas,...but to me this is normal;...now in America you can't do it*" (I2 Tolstoyan). What is apparent is that all the investors recognised that the process of gift-

giving may indeed be questionable; however, even with investor 1 (Lone Ranger), this did not seem to be sufficient enough to act as a deterrent, with the investors choosing to project ambiguity over any dubious actions:

There's a vice governor, president,...[and] the Raion administration from two regions; they've been for two weeks to my home in America...Free trips; take people to the states. Never pay a bribe because that's starting down the wrong road. (I1 Lone Ranger)

Further, this paper agrees with the assertions of Ledeneva (2008: 134) that “to claim a decline in the use of the term [*blat*], however, is not the same as to claim a decline in the practice”. The investors gave examples of the continuity of favours, agreements, connections, and exchanges associated with *blat* behaviour “in which non-monetary forms of exchange sustain or adapt to new conditions” (*Ibid.*: 134):

We have a new governor; she is very close to Putin...She phones up, 'can I have more hampers of food?'. I give her the hampers of food, but now I've got a new road thanks to her; fifty million ruble road...It's not even corruption, it's evolution...The point is, I've got access to a governor, and she's pumping my products; this is the old school tie network in a different form. (I2 Tolstoyan)

Relationships with the Labour Force

Prejudgment

Surprisingly, in general, there were no differences between the investors when it came to perceptions of the Russian peoples' 'moral standard', especially concerning sex, marriage, and inter-marital affairs: “No matter what prostitutes you see on the street, and what mistresses they have, they have different moral standards; it's all to do with hypocrisy...They have a different culture” (I2 Tolstoyan). Treating this morality as a cornerstone of Russian culture, the investors linked sexual 'deviancy' to ideas of trust and professional conduct in business, believing that a sexually 'immoral' individual would also harbour traits of business immorality:

Sex is nothing...It's a whole different moral situation here than what we have in the rest of the world...You have a partner who comes to America, the first talk that comes out of his mouth: he wants a prostitute for the night. Shit, you just left your wife two nights ago,...and here you are wanting to cheat on your wife: the person you're closest to...I'm your partner, are you going to cheat on me the next day?...If a guy is going to shit on his wife – that's the person that he has just made the biggest contract of his life – who are you? Sure, he's gonna shit on you too, every chance he gets. (I1 Lone Ranger)

Further, trust in the labour force centred on two additional topics: alcohol consumption and theft. Investor 2 (Tolstoyan) pointed to experience of alcohol usage problems within his farm – “First,...if you're drunk you can't come to work, so we lost forty percent immediately; then the other twenty

percent that couldn't stop being drunk, we also got rid of" (I2 Tolstoyan) – whilst, for investor 1 (Lone Ranger), the stereotyped reputation of alcohol abuse amongst Russians was sufficient to shape operational decisions, with him eventually removing facilities such as canteens where alcohol abuse may have arisen. The investors stereotyped theft and dishonesty – *"you need to worry about employee theft"* (I3 Protean) – and indicated that they could completely withhold trust, and opt to take pre-emptive preventative steps. What drove these pre-emptive steps was *fear* grounded in interpretations of historical cultural developments: *"It's a mentality that's been here for four or five hundred years: 'you never know about tomorrow, so steal everything you can today'"* (I1 Lone Ranger). Fear and distrust was so apparent in the investors' rhetoric, that some of their business decisions appeared to border on near-paranoid levels of caution – *"Thirty percent of my workers are guards"* (I1 Lone Ranger) – and the investors resorted to excessive monitoring of their own workforce; these steps were taken, even if there had been no experience of theft before:

I've not had that [stealing] problem, no. We had a problem with needing to hire a lot of security people so they didn't steal, which is also a cost, but least you know what the cost is. (I3 Protean)

Assessment of the Labour Force

The investors held the consensus that Russian workers were in need of 'Westernisation', and asserted that there was a lack of suitable talent in the rural labour pools, coming as a result of an exodus from the countryside when the Soviet Union collapsed; yet, the investors believed that those who chose not to join the exodus, did so because of various 'Russian flaws', such as those of laziness and stupidity. This representation of agrarian labour was a reoccurring negative stereotype – *"sometimes they've got nothing between their ears"* (I2 Tolstoyan) – often repeated in business language as *"inefficiency"* of the labour force. In essence, the investors' sentiment of labour in the Soviet period can be summarised thus:

What they said in the Soviet time is, 'I pretend to work, and they pretend to pay me', and that's still the philosophy: I pretend to work, and you pretend to pay me. (I1 Lone Ranger)

Additionally, the investors did not recognise within their labour forces the aspects of motivation as detailed by Linz (2004), above. Instead, all the investors seemed to agree with the views of Shekshnia (1994), and highlighted monetary requirements as the primary – or, indeed, only – motivating factor behind the labour force: *"They get their salary every month...no matter what the harvest is"* (I1 Lone Ranger). The contention was that Russians view agricultural work as 'demeaning': *"Our Russians don't want to work on the land: menial labour"* (I2 Tolstoyan). Yet, despite the realisation that *"Russians tend to choose all the technical"* jobs (I2 Tolstoyan), and, certainly, that the labour force may find these routes of employment less demeaning, the preconception and ethnic stereotyping employed by investor 2 (Tolstoyan) made him reluctant to allow such mobility in his own working environment; viewing the labour force as needing control and correction, opportunities were often withheld:

I think it's harder to find the top level Russians that can coordinate things, rather than the lower level...The lower level is just about general discipline. (I2 Tolstoyan)

Management Styles

The interview process revealed that even if the investors shared the same 'Western' views towards the labour force as Shekshnia (1994), they did not fulfil all the requirements that the author details for Western managers to shape employees, and resist 'Sovietisation'. Specifically, whilst there was abundant evidence that Russian 'weakness was blocked', there was no recognition of the strengths that the labour force may have possessed, nor any attempt shown to build on these, as Shekshnia (1994) recommends. As above, investor 2 (Tolstoyan) constructed 'glass ceilings' for his Russian employees, and displayed clear rhetoric of prejudiced views based upon ethnic background:

In management it was difficult, but I brought in for a while an American manager, until I had to fire him because he became Russian; started taking remissions. (I2 Tolstoyan)

'Blocking the weakness' of the Russian worker was usually realised through attempts to control the labour force, as with the example of the removal of sociable canteens, above; the rhetoric pointed, again, to a lack of trust – and perhaps fear – driving this attitude of control. Where Steggerda and Visser (2013: 25) give examples of Dutch farmers looking towards participatory management to 'get alongside' their labour force – albeit maintaining "a certain distance...[and a] high level of control" – investor 1 (Lone Ranger) spoke of his management style as "*shadow leadership*"; however, where 'shadow leadership' in the business environment refers to the positive and negative *influence* that, for example, a head of a company has whilst not necessarily being physically present (hence the shadow), his interpretation differed:

We call it shadow leadership: the American is there, and the shadow is the Russian guy...I'm afraid to turn them loose. (I1 Lone Ranger)

Given the vast discussions in the literature, detailed above, concerning the nature of salary and bonuses, it can be seen that it is beneficial for businesses to treat them with much consideration and sensitivity. Investor 2 (Tolstoyan) – rather than using monetary incentives as a motivational tool in the positive sense – targeted employees' earnings in attempts to 'inspire through fear', essentially taking Clarke's (2004: 417) "extreme step". Under Russian law, it is illegal to fine employees and deduct from their salaries; however, investor 2 (Tolstoyan) had found ways to circumvent these laws by utilising bonus systems. Claiming that "*I've got people who have worked for me for fifteen years, so it must [motivate] somewhere*" (I2 Tolstoyan), he described how he opted to pay the legal minimum wage, and had the remainder of the pay available through bonuses; where employees did not perform acceptably, bonuses were withheld whilst satisfying the law:

We give them a thousand rubles to meet the law, and then...we say, 'your salary, you should be getting twenty three thousand/thirty thousand rubles this month; you've only got eight because here...you didn't get your bonus. (I2 Tolstoyan)

Interestingly, investor 2 (Tolstoyan) held that he was not penalising employees, and that the outcome was firmly the responsibility of the Russian worker: *“you didn’t get your bonus, not that you were penalised”* (I2 Tolstoyan). This practice was an adaptive strategy on the behalf of investor 2 (Tolstoyan) that he claimed was to counter low motivation amongst his workforce, and something that he believed had worked; however, this paper must indicate that mechanisms such as these in a buyers’ market do create opportunities and the potential for exploitative behaviour to surface – intended or otherwise – especially amongst the vagueness of Russian employment legislation that allows for such systems to occur in the first place.

As above, concerning Linz’s (2004) job security as a motivational tool for the labour force, again, the investors showed that they had opted for ‘inspiration through fear’. For members of the labour force whose loyalty could not be attained, or who were deemed problematic, solutions were found in avoiding Russian employment from the outset – *“[Preferred employees are] Tajiks and Uzbeks [as] there’s no Russian that works;...there’s no mechanism for motivating them, and they just don’t care”* (I1 Lone Ranger) – or entirely dispensing with their services:

Farming, basically, I think, is more social than setting up a car factory. You know, communism, socialism, thinking of the masses; what employs the masses? [On firing half of the work force]...Well that’s efficiency; that’s management. (I2 Tolstoyan)

Investor 2 (Tolstoyan) recognised that *“the good thing is, there aren’t that many other places to work,...so either people adapt, and we pay them a lot more,...or they can be lazy, and get ten [thousand roubles]”*; this rhetoric spoke of a distinct power imbalance that could be utilised by the investors in their dealings with the labour force, offering a ‘motivational mechanism’ that’s definition encompassed more than simply that of job security and bonus consequences, but presented an alternative to employees in their current system more accurately described as ‘eternal unemployment’. The sustenance of this mechanism seemed to be connected to the opinion of investor 2 (Tolstoyan) that *“I’m the owner, I can do whatever I like”*; unchecked, this attitude led to his use – and admittance – of illegal workplace practices:

Their salaries were reduced by the number of hours they worked, and some people didn’t like the fact that they had to work...I said, ‘well sorry, we work twelve hour shifts here’...And our farm today, according to the labour laws of Russia, is not working legally because they should only work thirty five hours a week or something. Our workers work twelve hours a day. (I2 Tolstoyan)

Lastly, the investors gave examples of ambiguously intentioned management techniques that they employed. Investor 2 (Tolstoyan) described how in the rural countryside *“we try to run a – it’s almost like a feudal type – system: we birth and we bury them”*, and although he claimed that this was in aid of creating a sense of *“community”*, he admitted that *“seriously,...people have worked with me for twenty years because when they’re ill, they know we will help them financially at home; when they have problems with their granddad, and when they bury their dad, we give them [money]”*; this type of endeavour could be an imitation or continuation of common practices under the Soviet *kolkhozy*. Investor 1 (Lone Ranger) has also demonstrated philanthropic tendencies by sponsoring seven of his employees’ children through US universities, and aiding them with US passport applications, but overtly acknowledges that this was to buy *“a whole lot of loyalty”*.

Adaptation on the Frontier

In evaluating the narratives of the investors, it is interesting to ponder over the stories that they shared, and whether they could have had an impact on the reasons for their chosen identities. Investor 3 (Protean) may have been shaped by his initial experiences with the Russian consultant *“bandit who robbed me”*, and this could have affected his choice to withhold from full-integration into Russian culture, and maintain his expatriate status. Both investors 2 (Tolstoyan) and 3 (Protean) married Russian women, and this may well also be a fundamental cause for their (partial) adoption of perceived Russian culture and values. Putin cut through the ‘Orthodox performance’ of investor 2 (Tolstoyan) on live television with his *“cherchez la femme”* comment, and discarded the identity of investor 2 (Tolstoyan) as secondary to that of wanting a Russian woman; one does wonder at this issue’s centrality to identity for both investors 2 (Tolstoyan) and 3 (Protean), and whether there is a desire for legitimisation and disassociation from accusations of this sort.

For investor 1 (Lone Ranger), his choice to maintain as an ‘outsider’ may have had to do with the identity of Russia that he had constructed. S. Taylor (2010: 11) writes of how *“the identity of the area can also make people feel that they do not belong...[and that] perhaps the ultimate marker of not belonging is physical danger”*. As such, investor 1 (Lone Ranger) gave numerous examples of violence:

I’ve been shot at, you know, a couple of times...I was out trying to repossess a piece of equipment I had given the guy, and the guy came up behind me, and he called his mafia friends, and they stood on the side of the field and took a shot...And I punched the guy out. Said, ‘If you’re going to scare me, you’re gonna die right here with me’.
(I1 Lone Ranger)

This is significant when considering S. Taylor’s (2010: 132) assertions that where *“the research of Amy Chasteen (1994)...suggested that a feeling of safety involves not feeling ‘out of place’, I suggested...a threat to personal safety is a reminder that one is out of place”*.

However, this paper positions that the identity constructions of these investors are heavily affected by the Russian environment, and are, thus, a result of adaptive processes on the Russian ‘frontier’. Jackson Turner, in his 1893 environmental theory of the American frontier, believed that the *“availability of free land and an ever-receding frontier”* in nineteenth Century America acted as a *“magnet to draw men westward, attracted by the hope of economic gain or adventure”*; although his theory has been contested (Billington, 1958: 86-87), the investors as part of the Russian *“land rush”* (Visser *et al.*, 2012: 909) – may well be a ‘truer’ realisation of his hypothesis. The assumption of free land as the only ‘drawing’ factor, however, is limiting – especially given that two of the investors have married Russian women – but certainly, it has been an enabling feature.

The ‘frontier mentality’, as defined in the literature, is typified by a *“distinctive brand of individualism,...[a] dislike of governmental interference in economic functions,...[and a desire for] no hindrance from society as...[one] exploit[s] nature’s riches”* (Billington, 1958: 86). As such, the investors have sought freedoms on the Russian frontier: financial freedom, freedom from the authorities, integrative freedoms, and freedoms for their families. However, to varying degrees, these freedoms have not been achieved or experienced, and the investors have, largely, failed. To justify these failings, the investors have adopted narratives, which themselves construct identity,

and these have grown from their interactions in the Russian environment. Pallot and Katz (2017: 30), describing how women relatives of prisoners in Russia are faced with a “task...to convince themselves, people close to them and society at large that they are not themselves also delinquent”, write that the women have to provide “satisfactory explanation[s]...to protect themselves against [this] courtesy stigma”. In the same vein, the investors have to protect themselves from ‘failure stigma’, and in doing so, have created narratives and performances that legitimise the reasons for their failures.

Investors 2 (Tolstoyan) and 3 (Protean) spoke of a lack of financial freedom: the latter claimed that he had been “robbed”, and had consequently lost the commercial backing for his IPO; and the former asserted that his farming venture “lost a lot of money”, with the farm eventually being placed on the market. Likewise, investor 2 (Tolstoyan) explained, “I would like my kids to take over”, and also linked this failure to his financial difficulties: “If my son stayed with his dairy farming, I would be making money”. Investor 2 (Tolstoyan) had not accomplished the freedoms for his family that he was initially hoping for, and lamented his children for this disappointment: “All the money I pay in salary at the moment would go into my son’s pocket, he would be quite well off, but he doesn’t want to get into farming”. None of his five children wanted to assume the family business, nor live in the remote Russian countryside, and, indeed, he spoke of one of his daughters “escaping” to live in the UK.

As above, the investors claimed that they had not experienced freedom from governmental interference, and further, their narratives described how they had not attained certain integrative freedoms into society, such as that depicted by the account of investor 1 (Lone Ranger) in which he was shot at; for him, this lack of integration cemented his feelings as an ‘outsider’, and resulted in his adoption of ‘Hollywood Wild West’ behaviour:

The best thing I’ve ever done is be a partner with a Chechen guy...They’re scared of me now because they know [if] they do something wrong, I’ll make a phone call and a guy come and visit you...I don’t [actually use the Chechens], just the threat of it. (I1 Lone Ranger)

4. Conclusions

‘Undoing Identity’

There is a distinct narrative and performance spectrum that the investors are situated on, and one that has some interesting characteristics; although not all smaller foreign investors in Russia will necessarily occupy the same positions on the spectrum as the three investors in this paper, they will nonetheless occupy the space largely defined between investors 1 (Lone Ranger) and 2 (Tolstoyan). Visibility seems oscillatory on the spectrum, with investors 1 (Lone Ranger) and 2 (Tolstoyan) at either pole discernible through dress, image, and their choice of stage upon which they perform, and investor 3 (Protean) fluidly ‘shape-shifting’ discreetly in his occupation of the middle ground; moreover these poles are separated by notions of the ‘outsider’ and the ‘native’, with the centre alluding to neither.

The nature of each investor's categorisation affected how they sought to interact, and maintain relationships with regional authorities. Investor 2 (Tolstoyan) focused on acceptance, and endeavoured to appear Russian, adopting traditional Orthodox imagery to support his religious beliefs, and hinging trust and the maintenance of relationships with regional authorities on the hope of being recognised as someone who has internalised Russian (or Communist) culture. He did not choose ambiguity in intangible gifts, and openly communicated that reciprocity was expected; this could – under Steidlmeier's (1999: 127) analysis – be interpreted as bribery. Further, he embraced the use of physical gifts, and although he acknowledged that this is viewed as a corrupt practice in Western culture, investor 2 (Tolstoyan) regarded this as a process of embedding into Russian values of gift-giving. Investor 1 (Lone Ranger) contrasted this, sustained his appearance as an American 'outsider', and built his relationships with regional authorities whilst reserving trust. Although he maintained ambiguity with both tangible and intangible gifts, he did not make explicit a request for reciprocity, and was conscious of the laws governing his home nationality, avoiding giving physical gifts in the process. Investor 3 (Protean) navigated the extremes between the two, but seemed closer to investor 1 (Lone Ranger) in his approach to maintaining relationships and gift-giving.

However, despite these efforts to construct identity, the narratives of the investors betrayed themselves in certain aspects, and there were elements of 'undoing' in the identity process. Firstly, the research has shown that prejudgment of the labour force existed amongst all the investors, with associated negative notions of trust, inefficiency, laziness, morality, and sexual deviancy. The investors assumed Russian labour to drink and steal, and thought of them as in need of 'Westernisation'. The investors moved to 'block Russian weakness', using bonuses, salaries, and job security to 'inspire through fear', rather than focusing on more positive methods to motivate Russian labour; especially for investor 2 (Tolstoyan), this is problematic as he showed a distinct lack of understanding of Russian (and Soviet-rooted) culture – causing friction with his attempts to appear Russian – and an absence in recognition of non-monetary motivational tools that could have formed a progressive approach towards Russian labour.

Further, whereas the identity of investor 1 (Lone Ranger) as an 'outsider' seemed rigid and unmoving, the extension of identity to his farm did not follow, and indeed, all the investors modified the identity of their farms to appear Russian, utilising the loophole in land ownership laws. This is, admittedly, understandable – as leasing land as a foreign investor would bring inconveniences – but is an interesting point given that the identity construction of investor 1 (Lone Ranger) was fought and defended through interactions with regional government, the court system, and his labour force, but was not extended holistically to the central theme running throughout those clashes: his farms.

Navigating a fluidic existence, curiously, the identity of investor 3 (Protean) cannot be 'undone'; his identity construction allowed him to 'pick and choose' which approach he wished to take with respects to the Russian environment, and which lens he wished to be viewed through. For investor 2 (Tolstoyan), however, his nationality during the interview process became quite a contradiction: at times he would speak of his frustration at how the Russians did not treat him as one of their own; at other times he would talk of his "*ace card*" of being a foreigner, which he could use in official dealings with Russians as "*the Russians have great respect for the foreigner*"; and yet at others, he would purposely separate himself from the 'culture of Russia' that he did not approve of, especially that of the Russian labour force. Part of his identity construction – of alluding to success and

indulgence by regularly frequenting a five-star hotel, and making himself visible to his business and social circles – also seemed to conflict with his business and financial affairs that were forcing him to sell his farm.

The Future

It is poignant to return to the question of ‘is there really a future now for smaller foreign investors in Russia?’. It is, ultimately, too early to surmise; the Putin administration is focusing on larger-scale agriculture in favour of smaller private farms, yet these companies are closing the yield gap with larger agroholdings (Visser *et al.*, 2014: 1596), which evidences some resilience in the sector. As well, even though smaller foreign investors lack some beneficial corporate operational structures – which raises its own operational difficulties – the narratives of the investors in this paper have suggested that a lack of corporate structure may in fact aid adjustment and navigation, especially where smaller foreign investors can be afforded more freedom and flexibility in their methods of relationship building than their corporate counterparts. In the aftermath of the annexation of Crimea, foreign investors in the agricultural sector stand to potentially benefit if they can ride the turbulence of the current Russian recession: a national policy of import substitution, coupled with a social desire for domestically produced food, will inevitably increase demand.

It is evident, though, that the smaller foreign investors – the foreign versions of the *krestyansko-fermerskiye khoziaistva* – lie within an uneasy space between the heavily regulated large farm enterprises that are too regulated to afford the same fluidity in their navigation – yet may have access to capital and resources that afford concessions or influence in the legal system – and the personal household plots of the rural population that are an effectively unregulated component of Russian agriculture. In order for foreign investors of a more ‘medium’ size to be attracted to Russia, the Russian state must improve the secure legal and practical environment; if it fails to do this, then Russia may well only remain attractive for those similar to the conflicted investors described in this paper, or those who are prepared to take larger, more dangerous risks.

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