

Government Simplifies Hiring Foreign IT Specialists

By Delphine d'Amora

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An IT worker sitting in front of screens at the data center for Mail.ru, a major Russian Internet company.

In an attempt to fill the widening labor gap in the information technology sector, the government has submitted a bill to the State Duma that would simplify bringing foreign IT specialists to Russia.

"The deficit in qualified specialists is the main impediment to the Russian IT industry's development as a business," said Nikolai Komlev, executive director of the Association of Computer and Information Technologies, or APKIT, which participated in developing the legislation.

The reason for the deficit is simple — the industry is growing while the number of qualified graduates is shrinking, Komlev said. This is no news to APKIT, who began speaking publicly on the issue about seven years ago, he added.

The most in-demand specialists are programmers, as well as software developers for industries ranging from banking to gaming, said Oksana Samokhina, team leader at Moscow-based recruitment agency Unity.

There is also an acute need for project managers, general managers and online marketing specialists, <u>a study</u> on Russian e-commerce by East-West Digital News found. With no other options, many of the companies surveyed had simply been forced to take on underqualified candidates and train them personally.

The demand for IT specialists could exceed supply by between 35 and 40 percent, according to preliminary estimates, Samokhina said.

Part of the issue is that the most in-demand professionals sometimes leave for jobs abroad, or to launch their startups in countries they deem more welcoming.

"For certain specialities — for example, developers, — each one who leaves is a potential loss for Russia. The law could help compensate for this," said Adrien Henni, chief editor of <u>East-West Digital News</u>.

But even if fewer Russian specialists left, there would still be a deficit in trained professionals, Komlev said. "The ones who leave are generally the strongest specialists, but we need lower-level IT specialists also," he added.

Another provision in the bill is aimed at satisfying this demand. Previously, only foreign specialists earning two million rubles (\$56,000) or more a year could be hired in Russia. Now their salaries can be as low as one million rubles annually, or about \$2,300 a month.

The average salary offers for lead programmers range between 80,000 rubles (\$2,200) and 130,000 rubles (\$3,600) a month, according to data from HeadHunter, Russia's leading online staffing resource.

Russian IT companies have already begun hiring abroad, with most foreign specialists coming from Ukraine, Belarus and Kazakhstan, Samokhina said. Companies have even gone as far as India for employees, Komlev said.

Under the new legislation, Russia would welcome a maximum of 3,000 and an average of between 500 and 800 foreign IT professionals a year, the Press and Communications Ministry estimated.

Some Russians companies have found that it can be more profitable to hire foreigners, despite the costs of transport and accommodation. "Domestic specialists' salary demands are too high, and they often go to other companies after their employer has invested in their education," Komlev said.

Russians specialists' soaring expectations are not unjustified. Salaries among IT professionals rose 15 percent in the first half of 2013, almost twice the rate of the salary increase in the labor market as a whole, according to Unity.

Pay rates have stabilized since, with almost no growth observed during the economic turbulence and political crisis of the past six months. Some Western and U.S. companies have

cut back their operations, sending IT specialists back onto the job market and slowing salary increases, Samokhina said.

These new job seekers "will not remain unemployed, but likely choose from three to five respectable offers, and such cuts will not satisfy the markets's overall demand," she added.

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