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Russia Faces Record Workforce Shortage in Wartime

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Plant for the production of equipment for railway infrastructure in Moscow. **Kirill Zykov / Moskva News Agency**

Russian companies across a wide range of sectors are facing record staff shortages this year as the country grapples with population decline, a wartime exodus and military losses amid its offensive on Ukraine, the Kommersant business daily reported Monday.

Employee availability hit its lowest value since record-keeping began in 1998, the newspaper said, citing a Central Bank survey of employers representing various economic sectors.

The worker shortage for January-March 2023 was higher than that recorded in October-December 2022.

Russia's official unemployment rates are at record lows despite structural changes caused by the invasion of Ukraine.

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Some analysts attribute the shrinkage of the workforce to a rise in employment in Russia's so-called "gray economy" and last year's mass exodus of Russians over the war in Ukraine.

According to the Central Bank survey cited by Kommersant, manufacturing, water supply, mining, storage and transportation industries were hardest hit by the workforce shortage.

Car sales, wholesale trade and service sectors were the sectors least affected.

Employers surveyed by the Central Bank named indexing salaries and personnel training as steps taken to tackle the issue.

They said they expect hiring to pick back up in the coming months, due in part to an anticipated uptick in seasonal labor in construction, processing, trade and other sectors.

But researchers like those at Moscow's Higher School of Economics (HSE) argue that perception-based public polling results can be overestimated.

Russia's Central Bank polled 14,000 employers from non-financial sectors for its enterprise monitoring survey.

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