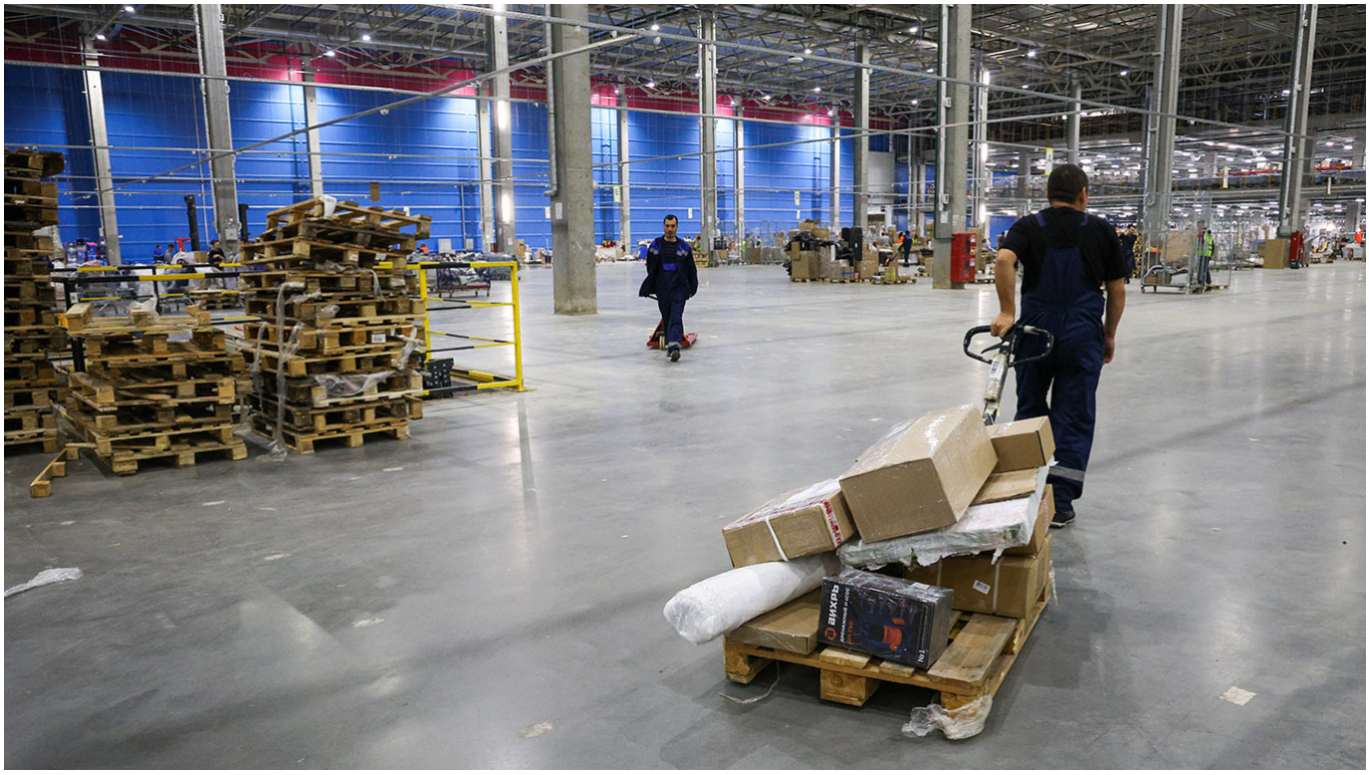
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Russian Firms Lure South Asian Migrants Amid Historic Labor Shortage

By Sascha Roslyakov

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Employees working at an Ozon logistics center. **Yegor Aleyev / TASS**

Among the hundreds of YouTube videos about working in Russia, one in particular stands out.

The professionally made clip advertises job opportunities at Ozon, Russia's second-largest online marketplace, to workers from South Asian countries.

Speaking in Hindi, a supervisor at Ozon subcontractor Argument describes the hiring process for the 152,000-square-meter warehouse in Pushkino, a town 30 kilometers northeast of Moscow.

The company is ready to provide workers with accommodation, health insurance, work attire, food and Russian classes to pass the test for obtaining a Russian work permit — all free of charge.

The manager, who introduces himself as Mohammed Sagir Sheikh, says the job involves

collecting orders in the warehouse and is not complex. The work week lasts six days, and workers can go to Pushkino for their day off.

“The most important thing is to complete the daily task from 1,500 to 2,000 [pickups]. Your salary depends on how much you have picked,” Sheikh says.

“So, remember that you have come here to earn money,” he adds.

Embed:

As Russia faces historic labor shortages, firms like Ozon are looking further afield for new sources of workers.

In December, Ozon confirmed its plan to employ Indian nationals in its warehouse.

A businessman who works with Russian online marketplaces said that Ozon might need tens of thousands of people due to the shortage of labor in Russia.

Speaking on condition of anonymity for safety reasons, the businessman said that Russian marketplaces have been rapidly expanding, with the number of warehouses multiplying three or fourfold recently.

He added that Ozon chose Indians because most speak English and have an “easy” attitude.

Failing demography

Russia’s unemployment rate has fallen to historic lows, shrinking almost twice since February 2022, from 4.3% at the end of 2021 to 2.3% in 2024.

“Warehouse staff has always been in short supply in Russia, even in good years. Somehow, this gap was covered, albeit poorly, by migrants in an uncontrolled flow,” the anonymous businessman said.

Russia’s war on Ukraine and the March 2024 terrorist attack at a concert venue outside Moscow — which led authorities to tighten the screws on migration — only worsened the situation.

Today, the lack of people is Russia’s biggest problem, which was already affected by the low birth and high death rates, former Central Bank advisor Alexandra Prokopenko said in a recent analysis.

Almost half of Russian companies said they struggle to find workers on the market as almost 30% of large Russian companies rely on the foreign workforce.

“The problem is very serious,” the anonymous businessman said, adding that his own business cannot scale up due to the shortage of workers.

“The Kremlin lacks sufficient human resources to simultaneously continue the war and ensure economic growth, and attracting more migrants is not an option either," Prokopenko wrote.

Prokopenko noted that the front line takes over 10,000 people monthly, and the private sector's salaries fail to compete with salaries and bonuses paid out to those who sign military contracts.

This month, Economy Minister Maxim Reshetnikov said Russia needs to expand its efforts to attract migrants from countries outside its usual recruitment pool.

A government source recently told the Expert.ru news website that Russia is considering introducing a simplified visa procedure for several countries, including those in the Asia Pacific region.

By some estimates, migration from Asia Pacific countries, especially China, India, Vietnam and North Korea, is on the rise. Ninety-five thousand people came to Russia from these countries in 2023, according to state statistics agency Rosstat, compared to 22,981 people in 2022.

The Russian labor market is regulated by quotas that the government sets for every region once a year. It also involves posting vacancies on the state job vacancy board before hiring a foreigner, making it challenging to attract talent quickly from abroad.

However, some changes might be introduced soon as the Labor Ministry offered to extend the migrant visa quotas 1.5-fold, which should equal almost 235,000 people in 2025.

Indians at Ozon

Fahran Arshad graduated from Moscow's Skolkovo Institute of Science and Technology last year. With his Russian visa set to run out in a few months, he decided to find a job to earn some money for travel before returning home to Pakistan.

In a YouTube blog, Arshad toured the Ozon facility in Pushkino and described its work conditions.

He interviewed a manager who explained that more people are needed — and that one does not need to speak Russian.

Ozon does not hire people directly; instead, it outsources the process to subcontractors.

Arshad, who worked at Ozon's Pushkino warehouse in the summer of 2024, said a manager told him that Argument, the subcontractor that filmed the ad video, already employed around 70 people from India.

"They even came on the same flight. And they come from maybe the same area of India," Arshad said.

Although Arshad spoke just a few words of Russian, he didn't need to talk with others. He simply gathered orders, scanned them and placed them in a box on a conveyor belt.

"People come from countries like India. They are in a group of several dozen, and only two or three people know only English. They communicate with the boss and then translate to other guys," Arshad said.

“So there is a communication gap, but still enough to make the system run,” he added.

According to Arshad, Argument employees earn half as much as those who work for other Ozon subcontractors.

“They provide visas to international people but pay less, around 30,000 rubles ($345) or 35,000 rubles ($405) per month. My company was not giving any visa sponsorship, and they paid very high, around 70,000 rubles ($700) or 75,000 rubles ($868),” Arshad said.

Indian tailors at a factory owned by Putin’s friend

BTK Group is a textile company that makes uniforms for the Russian army. Its owner, the businessman Taimuraz Bolloev, has been under EU sanctions since 2024.

The company does not hide that it hires Indian workers, posting photos from a factory in the Kursk region.

One post published on VK said Indian tailors liked playing cricket, characterizing the game as “their true passion.”

Another showed two Indians being awarded places on the “Honor Board,” a popular way in Russia to highlight workers' accomplishments.

Last year, local media in the Saratov region reported that Indian workers had come to a BTK factory there, leaving journalists surprised that the company now tries to “bait” workers from South Asia.

The governor had to explain that hiring Indian workers was a “temporary measure.”

In November 2024, locals made up just 10% of new hires at BTK’s factory in Saratov.

Another Defense Ministry contractor in the Rostov region, Bulava, also hired Indian nationals. A video published in the local paper showed at least a dozen foreign workers working in the factory.

State Duma deputy Yekaterina Stenyakina said she complained to the interior minister about Tajik and Indian nationals after residents complained about the behavior of the factory staff.

Bashar, an Indian YouTuber who helps Indians find jobs in Russia, including tailoring jobs with the BTK Group, said that the company now employs several thousand Indian workers.

And it has been doing so for several years.

Pay problems

According to experts, the wartime economy has drawn talent away from the private sector to the defense industry, forcing businesses to hike salaries to stay competitive.

In just the first four months of 2024, salaries in Russia rose by 19% — outpacing the rate of inflation, Prokopenko noted.

The anonymous businessman said companies have been forced to incorporate a 20-30% salary indexation annually to prevent employees from leaving.

But some Russian businesses take advantage of migrants from South Asia, Bashar said, requesting that his surname be withheld.

Indians facing no work opportunities at home are ready to invest several thousand U.S. dollars to get Russian work visas. They then come to Russia for a few years and are tied to one employer, he explained.

Bashar came to Novosibirsk, Russia's third-largest city, to work as a tailor for local clothing brand Prizmoda in 2021.

He started a YouTube channel where he documented what living and working in Russia is like. It quickly grew in popularity.

Embed:

Bashar says the biggest problems are salary and difficulties in sending money home, as Russia's financial system is under heavy sanctions.

"The salary was a big issue," Bashar said.

"We were only paid a dollar per hour. Initially, the ruble's value was higher, so we negotiated with the company to pay us 30,000 rubles [per month], which was manageable. But later, as the ruble's value dropped, it became a problem."

Although the company provided room and board, Bashar said the pay for a 12-hour shift was still unfair.

"The salary never increased, even though we protested and went on strikes," he said.

It made no sense to work far from family, and he decided to leave Russia.

Out of a group of 50 initial hires, less than 20 remained.

"Now, I receive around 500-600 contacts regularly, as I shared my number on YouTube. And I try to guide them about work in Russia. More people are traveling to Russia for work, and many of them face fraud and scams," Bashar said.

Bashar liked the job and his Russian colleagues, but said he would only return if Russian companies paid better.

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