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Mass Layoffs, Unpaid Wages Hit Coal Mines in Occupied Luhansk as Operator Nears Bankruptcy

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The Dolzhanskaya-Kapitalnaya coal mine in the Luhansk region. **Alexander Reka / TASS**

Coal miners in eastern Ukraine's occupied Luhansk region say they have been left without pay and are facing mass layoffs after the company operating several major mines moved toward bankruptcy, deepening economic hardship in a region already battered by more than a decade of war.

Workers at the Krasny Partizan, Dolzhanskaya-Kapitalnaya and Sverdlov mines said they had not received wages since December and that around 1,200 people were left without work after the mines shut down in March, Russian media outlet RTVI reported.

The mines had previously been transferred to Rostov-based company Don Coal Trading House (Torgovy Dom Donskiye Ugli), which informed employees in January that staff would be cut within two months "to optimize the structure," miners told RTVI.

Non-payment of wages has become a recurring problem for miners in Russian-occupied eastern Ukraine, where unprofitable mines, mounting debt and repeated ownership changes have left workers regularly waiting months for salaries and severance, often relying on state intervention to recover unpaid wages.

“We haven’t received a single kopeck since December, when they last paid us,” a miner at the Krasny Partizan mine identified only as Anatoly told RTVI.

“People were simply thrown out onto the street. Neither our local leader nor the ministry explains anything,” he said.

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According to Anatoly, workers were formally assigned severance payments, vacation pay and compensation on paper, with some sums reaching as much as 500,000 rubles ($6,650).

“No one has less than 250,000 rubles ($3,325),” he said.

Some workers were offered jobs at still-operating mines in Russia’s Rostov region, while others were reassigned to maintenance work at the closed mines. But many remained unemployed.

“Those who went to work in Rostov still have functioning mines. Those who refused are registered with the local employment center,” Anatoly said. “They offer jobs there, but mostly the salary is 30,000 rubles ($399) a month.”

Another miner said wage problems had begun in 2024, when the mines were transferred to Don Coal Trading House.

“People have been left without any means of support, especially women,” he said. “Men can still find work more easily, but for women there are no vacancies here.”

Local prosecutors said the company owed workers wages for January and February 2026.

The company acknowledged the wage arrears to local authorities and said it planned to repay them “when funds are received in the company’s accounts.”

It said it was facing “major difficulties” after banks stopped issuing loans and was trying to sell coal already mined and stored in warehouses.

“At the same time, incoming funds from sales are insufficient to fully settle with personnel,” local authorities quoted the company as saying.

Don Coal Trading House posted a cumulative net loss of more than 25.7 billion rubles ($341.8 million), including an additional 11.2 billion rubles ($149 million) in 2025 alone, RTVI reported.

Russian courts are also considering dozens of lawsuits against the company worth billions of

rubles.

In January, the state-run agency GURSh filed a claim for more than 1.14 billion rubles ($15.2 million), while the company also accumulated more than 99 million rubles ($1.3 million) in tax debts.

The company said in February that it planned to file for bankruptcy. In November, it asked Moscow for 40 billion rubles ($532 million) from the National Wealth Fund to prevent the mines from shutting down.

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