

# Russia: Mass layoffs, strikes amid expanding war

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As Russia is being drawn into an escalating global conflict, class tensions in the country have been rising significantly. Over the last year mass layoffs have hit several key industries, including IT and various services industries, but also major state-owned companies such as the Russian Railways (RZD) and the metals producer Rusal. As of November 2025, at least 10 companies in mining, transport and machinery had shifted to shorter working weeks to cut costs, according to a report by the Moscow Times.

While media coverage of strikes and protests in Russia is slim, several strikes and protests have apparently taken place over the past year. According to a report by Solyanka Media, this year has seen strikes over the withholding of wages at several workplaces, including construction sites by Novoleks and facilities of Orgenergostroi. Since March 20, railway workers of the company SeverPut'Stroi have gone on strike in the Republic of Komi. One of the striking workers told the Moscow Times that they have received no full paycheck since December 2025. In February they were not paid at all. Alexandra told the outlet, "People need something to live on. I have three children, I have to pay for utilities, for school, and everyone of course also wants to eat." According to a report dated March 25, workers from other companies that are supplied by SeverPut'Stroi also face months-long withholding of wages and are planning to join the strike.

Official figures by the agency Rosstat indicate that overdue wage arrears rose 2.3 fold and have now reached the highest level since 2016 (2.077 billion rubles or 25.169 million USD.) 14,700 workers did not receive their wages, an almost two-fold increase of 6,500 relative to 2024. In most cases, companies claim that they are unable to pay wages due to high interest rates of the Central Bank and a slowdown in the

economy. Domestic demand has declined significantly, with many commentators pointing to the indebtedness of the population as a major factor.

More layoffs and wage cuts are already underway. The Russian Railways have announced plans to cut 15 percent of their staff in 2026, or around 6,000 people. Several auto plants have also announced layoffs and reduced working hours. Thus, one media report indicated that AvtoVAZ and GAZ, the two largest Russian car companies, officially transitioned to a four-day work week in September. Real incomes of auto workers have declined by some 20 percent.

The metal giant Rusal has been shutting down some of its key facilities. Thus, on January 1, Rusal's Kremniy plant in the Irkutsk region stopped production. It was the largest silicon facility in the country. Several other factories of Rusal have shifted to reduced working weeks. Rusal is one of the country's largest companies and one of the biggest metal producers in the world. Its workforce in Russia is estimated at between 40,000 and 50,000, the vast majority of them are factory workers. The company's annual revenue frequently ranges around \$12 billion to \$15 billion.

However, as the sanctions imposed by the US and EU have forced Russian companies to shift their sales to Asia, Rusal's revenues and those of many other companies have declined. On Asian markets, they are faced with the competition above all of Chinese companies, which can often sell better quality produced at a much lower cost.

In recent weeks, plans by Rusal to shut down another facility in Boksitogorsk, an industrial town in the Leningrad region (near St. Petersburg), have triggered a public outcry. The layoffs have reportedly begun in mid-March. Boksitogorsk, which has a population of just over 15,000, is one of many so-called monotowns that

were built during Soviet industrialization. Unlike in major industrial cities, in monotowns workers are entirely dependent on one or a handful of factories around which these cities were built.

The shuttering of plants here means the complete destruction of people's livelihood. Local media reported that a large number of the workers of Rusal's plant are heavily in debt because of mortgages they took out on their homes, and are thus not even able to leave the town to look for work elsewhere. Boksitogorsk has only two factories apart from the one owned by Rusal.

The case of Boksitogorsk's Rusal plant has provoked considerable nervousness in the ruling class with the governor of the region calling upon the Kremlin to intervene. Rusal is owned by the billionaire Oleg Deripaska who has an estimated net worth of around \$7.6 billion. Perhaps even more than other oligarchs, who have amassed their wealth through the plundering of state assets during the restoration of capitalism in the former Soviet Union, Deripaska is widely hated in the working class.

In 2009, a mass protest by workers of Rusal in another monotown, Pikaliovo, led to one of the most tense class confrontations in Russia under Putin. In the wake of the 2008 crash, Rusal stopped paying its workers for months while also ceasing to pay its water and electricity bills. As a result, local authorities shut down water and electricity for the residents, prompting an angry protest by workers who stormed the local city hall and blocked the highway to demand their wages and jobs. The situation became so tense that the Kremlin considered it necessary for President Vladimir Putin to intervene. At the time, Putin chided Deripaska on public television, forcing him to get the factory back running and presenting himself as a defender of the interests of workers against the oligarch.

If anything, the nervousness in the oligarchy today about growing social unrest in the working class is even greater. The deepening social crisis is intrinsically tied to the expanding global war.

The Ukraine war, now in its fifth year, has claimed hundreds of thousands of lives with no end in sight. Ukraine also still regularly strikes targets on Russian territory, with dozens, sometimes hundreds of drones, intercepted each day. While some strikes hit residential areas, most target industrial and energy facilities and

the casualties are often workers. In recent weeks, Russian forces have also been pushed back by the Ukrainian army, reportedly suffering significant casualties.

Meanwhile, what is essentially already a global war has entered a new stage with the US-Israeli attack on Iran. Even while Russia might benefit in the short term from higher oil prices and the lifting of some sanctions, fundamentally the new imperialist carve-up of the entire continent targets Russia as well as China. The Russian press and pundits close to the Kremlin have also been alarmed by the prospect of the war spreading directly to the border of Russia, in both the Caucasus and Central Asia. Already, the conflict has dragged in Azerbaijan, a key country in the Caucasus which has long been built up by both the US and Israel as an important ally in a war against Iran.

In an indication of how desperate the Kremlin is in trying to reach a deal with US imperialism, the Kremlin not only abstained from a vote on a resolution condemning Iran for striking US allies in retaliation for the attack. According to a report in the Financial Times, Russia's President Vladimir Putin has also offered to stop sharing targeting intelligence with Iran, in exchange for an end to Washington's intelligence partnership with Ukraine. Washington reportedly rejected the offer.

While haggling to reach a settlement with the imperialist powers, the Kremlin is simultaneously ratcheting up its campaign of internet censorship. Earlier this year, the Russian state blocked WhatsApp, which had been used by over two-thirds of the population. The Kremlin is also expected to shut down Telegram, the only nominally encrypted messenger still available to Russian users. Meanwhile, the rolling mobile internet shutdowns which have centered on the provinces have begun to significantly disrupt life in the country's largest and economically most important cities, Moscow and St. Petersburg. In a recent poll, 83 percent of teenagers indicated that they opposed these shutdowns.



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