Contemporary Labor Market: Mass Layoffs in the West and Staff Shortages in Russia

Original article

2024-09-16

4 min read

While large companies in the West carry out a series of layoffs, leaving tens of thousands unemployed, in Russia the problem of shortage of workers is growing in several sectors, most notably the industrial and agricultural ones. So what are the reasons for such a crisis and why are some companies getting rid of the workers on the one hand while not being able to find them on the other?

As of the end of 2023, Google had already laid off over twelve thousand employees, with plans to extend these layoffs into early 2024. Now that we're into 2024, it remains to be seen whether the company will continue with this strategy. [1]. The management's explanation for this is the intention to achieve "ambitious goals" regarding the development and implementation of AI in its search engine, which will require considerable investments [2]. The introduction of AI allows the company to significantly reduce labor costs for its own employees. Moreover, Google has already begun this process. This not only caused resentment among workers and unions but also severely limited the capabilities of several departments of the company, mainly related to hardware support and the development of virtual reality. However, this is not stopping the management from going the way it wants to go. Moreover, a similar problem has swept the entire American IT sector - during 2023, a total of about 262 thousand people were laid off.

In this situation, we are witnessing something quite natural for the capitalist system: the labor of the worker becomes an instrument by which the bourgeoisie enriches itself. A businessman always acts based on the potential profit, and if it is necessary to sacrifice the lives of thousands of workers, leaving them without means of subsistence, he will do it without a second thought. This is because the workers are forced to sell their labor power to survive, and the capitalist, taking advantage of unemployment, buys this labor for next to nothing.

But what is happening in Russia? Why are the workers afraid of being hit by a wave of dismissals, while the employers are worried about the shortage of workers?

For example, let’s take a look at the situation developing around the shoe company "Unichel". The workers made a personal appeal for help to the President of Russia in August of this year [3]. One of the workers explained:

“They want to close down our company completely. We will all be left without jobs and means of subsistence.”

The company CEO replied that there were no plans to close the plant and that there would be no layoffs. But what created this paranoia and panic among the workers? The answer is simple: due to the lack of manpower, only two out of three production lines were manned, which led to their reorganization. As a result of this personnel shortage, production was reduced, which led to worker’s worries.

As we can see, the main problem of the Russian labor market, unlike in the West, is the acute shortage of personnel. In one of our articles, in which we analyzed this phenomenon, it was noted that by the end of 2023, 4.8 million people were unemployed, and their number is growing. This is caused by several factors that date back to 1993. Among the most important ones are the decline in the birth rate, high mortality rate, the discreditiation of manual work in the eyes of young people, and a massive outflow of migrant workers.

Capitalism is naturally accompanied by such a socio-economic phenomenon. The capitalist system is in a constant state of internal contradiction: on the one hand, there is an endless pursuit of profit, in which millions of workers perish from wars, hunger, and lack of medical care; on the other hand, capitalists need workers, so they are forced to provide minimal social assistance so that the workers can continue to labor for them. However, the first tendency now greatly outweighs the second — and this is exactly what we are witnessing today.

Humanity cannot be led into the future by a system held by pillars of money, and not people. It's enough to look at the fate of the former socialist countries, whose resources and wealth have been so greedily plundered by the capitalists for thirty years. It is the working class who has had to bear the consequences of this "economic policy".

Reforms are not enough to eliminate these problems. We need a complete change of the system to a more progressive one, free from the defects of capitalism. Marx wrote about this. Lenin laid the foundations of this state — the Soviet Union, and Stalin defended these conquests along with all the peoples of the USSR. The bourgeoisie has never been a friend of the proletariat. Capitalism has never been a workers' system. The entire modern world is built on the oppression of the working people, and only a united proletarian strength can change this.

Familiarize yourself with the theory of Marxism-Leninism, educate your comrades, and develop class consciousness, both yours and among those around you. Join the ranks of Politsturm to stay up to date with the latest news and to get the necessary help in studying socialist theory.

Sources:

[1] CNews – "Google laid off hundreds of employees at the very start of the new year" – January 11, 2024.

[2] Forbes – "Media has learned of future cuts at Google to achieve "ambitious goals" – January 18, 2024.

[3] 74.ru – "Wanna trample? What is happening to the shoe empire "Unichel" and why its employees are asking Putin for help" – August 26, 2024.

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