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Mobilisation in Russia: society's reactions and the economic consequences

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The mobilisation of 300,000 reservists into the Armed Forces of the Russian Federation, which has been ongoing since the end of September 2022, has laid bare the chaos in the administrative apparatus and has given rise to concern among citizens. It has made many Russians realise that their country is waging a genuine war, which requires direct involvement on their part. The government's decision has provoked a visible reaction in society, involving young men emigrating from Russia in numbers which are difficult to estimate.

However, this decline in public sentiment was short-lived. The mobilisation has once again demonstrated Russian society's significant adaptive potential and its passivity towards the government's actions. Its negative effects have been seen most clearly in the economy, as budgetary spending has increased and the workforce has shrunk. This, in turn, will hamper the country's economic development, particularly in the long term. However, Russian business was able to adjust quickly to the new circumstances.

General information about the mobilisation process

According to a statement by Russian Defence Minister Sergei Shoigu, Moscow planned to enlist 300,000 reservists of selected specialisations to the Armed Forces of the Russian Federation. The section of Vladimir Putin's 21 September 2022 decree 'On the announcement of a partial mobilisation in the Russian Federation', which specifies the number of individuals subject to mobilisation and other details of the draft, is classified. This sparked speculation that the number of people to be mobilised would increase. The mobilisation applied to men aged 19–65 (women were allegedly excluded, although the document did not introduce any formal limitations in this respect),¹ although numerous individuals, including armaments sector employees and IT specialists, were allowed to obtain a deferral in connection with their employment. The mobilised individuals and their family members received a decent salary (by Russian standards) and numerous financial incentives. They were also offered substantial benefits and compensation payments in the event of the soldier suffering damage to his health or dying during the war (see Appendix).

¹ For more see A. Wilk, P. Żochowski, 'Partial mobilisation in Russia. War after 209 days', OSW, 21 September 2022, osw.waw.pl.



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The views expressed by the authors of the papers do not necessarily reflect the opinion of Polish authorities.

Although on 28 October 2022 Minister Shoigu notified Putin of the mobilisation of 300,000 reservists had been completed, Russian investigative journalists argue that the actual number of enlisted individuals is likely as high as around 500,000.² The published statistics indicated that this group included 27,000 business owners and 1300 representatives of state executive bodies of various echelons. The Defence Ministry estimated that the average age of a mobilised individuals is 35. Residents of national republics such as Chechnya, Dagestan and Buryatia were overrepresented in the total number of called-up individuals. The main reason behind this was the demographic and economic situation of these regions – they have had a high birth rate for many years and poverty acts as a driver for their residents to view military service as an opportunity to improve their living standards.

Russia plans to continue to expand its troops using volunteers only.³ The president has not announced the official end of mobilisation,

The decision to launch mobilisation has caused concern in Russian society and has pushed individuals wishing to avoid conscription, to flee the country.

which is why it is believed that the mobilisation process had only slowed down and will be resumed in the first months of 2023, especially as users of Russian social networks report that young men continue to be conscripted. In December 2022, Mr Shoigu announced his plan to increase the Russian army's headcount by around 150,000 individuals in 2023, to 1.15 million soldiers (and up to 1.5 million in the next few years). This will include increasing the number of contract soldiers by 141,000 (to 521,000). They could join the troops who are already taking part in hostilities as early as this year.

Society's reaction: emigration...

The decision to launch mobilisation has caused concern in Russian society. Men wishing to avoid receiving a draft paper tried to hide out from the authorities (most of them left their permanent place of residence or gave up their job whenever they suspected that they could be mobilised in their workplace). Evading conscription was much easier in big cities than in towns and villages, where men had fewer opportunities to leave or hide out from state administration representatives.

The president's decision to announce mobilisation has seen large groups of Russians, who wanted to avoid conscription, fleeing the country. According to various estimates, between 300,000 and 700,000 citizens have left Russia since the announcement of mobilisation.⁴ Most of them decided to leave in the first few days, fearing that the government might close the borders. The Russian government does not reveal any information regarding the migration and tends to play down the numbers in their official statements (when asked about the scale of this outflow, Kremlin spokesman Dmitry Peskov said that reports suggesting that as many as 700,000 Russians have already left the country are fake).

In the first days of mobilisation, queues formed at practically all border crossing points (including at airports). Initially, Russian men attempted to leave for those countries which they are allowed to travel to without the requirement to hold a passport,⁵ i.e. on the basis of their identity document

⁵ According to information provided by the Levada Center, 75% of Russians do not have this document. See 'Поездки за границу', Левада Центр, 8 September 2022, levada.ru.



² The estimates are based on statistics compiled by register offices regarding the number of fast-track marriages (mobilised individuals are allowed to get married on the day they submit the relevant request to the register office, while other citizens need to wait a month). For more see М. Литаврин, Е. Сковорода, 'Давай поженимся. Рост числа свадеб показывает, что к середине октября в России мобилизовали как минимум 492 тысячи человек', Медиазона, 24 October 2022, zona.media.

³ 'Шойгу: отправка граждан в войска в рамках частичной мобилизации завершена, призвано 300 тыс. человек', Interfax, 28 October 2022, interfax-russia.ru.

⁴ For example, the demographer I. Yefremov estimates this number at around 300,000 individuals. See Ю. Старостина, 'Можно ли все-таки как-то выяснить, сколько россиян погибло на войне? А к чему приведет эмиграция из России и была ли она по-настоящему массовой?', Meduza, 13 December 2022, meduza.io. Figures reported by Forbes: Е. Тофанюк, Ю. Сапронова, 'Россию после 21 сентября покинули около 700 000 граждан', Forbes, 4 October 2022, forbes.ru.

(the so-called internal passport). These countries include Armenia, Kazakhstan, Kyrgyzstan and Belarus (which is treated as a transit country only). Other popular destinations included several other post--Soviet states which do not require Russian nationals to obtain a visa: Georgia, Moldova, Uzbekistan and Tajikistan., Turkey, which served as a transport hub for Russians travelling to Europe when direct flights between the EU and Russia were suspended as a result of sanctions, also proved popular.

Kazakhstan has become the most popular destination for Russian emigration – figures compiled by the Kazakh Ministry of Labour and

The street protests died down after several days, mainly because of brutality of the law enforcement officers and repression.

Social Protection indicate that since 21 September 2022, i.e. the day on which the partial mobilisation was announced, 837,000 citizens of the Russian Federation have arrived in Kazakhstan and 780,000 have left. According to estimates prepared in December 2022, 298,000 Russian citizens were staying in Kazakhstan at that time for various reasons.⁶ Georgia is another popular destination (around 100,000 Russians have arrived there in recent months). The Georgian Ministry of Internal Affairs announced an unprecedented increase in the number of Russian citizens crossing the Georgian border on 21–30 September 2022 (immediately following the announcement of mobilisation) when 68,887 Russians arrived in Georgia.⁷ The 'war-related' Russian diaspora in Armenia is estimated at between 20,000 and 90,000 individuals, and in Azerbaijan at up to 8000. It is difficult to assess the situation in a comprehensive manner because the Russian citizens' migration flows are highly flexible and neither Moscow, nor the destination countries have compiled the relevant detailed statistics.

At some border checkpoints – e.g. at the popular Russian-Georgian pedestrian border crossing in Verkhny Lars – the Russian Defence Ministry has set up mobile enlistment offices mainly in order to put emotional pressure on Russian citizens leaving the country. In several weeks since the announcement of mobilisation, the traffic at airports and land border crossing points has returned to normal levels. Some of those who had left Russia decided to return, believing that the risk of them being conscripted is now over, or due to having lost their livelihood, especially as the Russian government has been making attempts to limit remote work opportunities for Russian citizens.⁸ These examples prove that some 'defectors' had made their decision to leave on the spur of the moment, without making any preparations for a long stay in a foreign country. It should also be noted that when an individual makes attempts to evade mobilisation, it does not mean that they oppose the invasion. Some of the Russian citizens who decided to leave are not critical of the Kremlin and do not challenge the legitimacy of the war, they are simply unwilling to go the front themselves.

...and resistance and obedience

Although demonstrations against the mobilisation started across Russia as early as 21 September 2022, they were limited in scale. According to OVD-Info, 1300 protestors were detained on the first day, and in several cities police officers distributed call-up papers to the detained immediately at the police stations.⁹ Aside from big cities, which in the past had shown relatively high protest activity, rallies were held in less active regions inhabited by non-ethnic Russians, for example in Makhachkala and Khasavyurt in Dagestan, Nalchik (the capital of Kabardino-Balkaria), Yakutsk (the capital of the Sakha Republic) and Kyzyl (the capital of Tuva). Women, who took to the streets to publicly

⁹ On its website the OVD-Info publishes a detention counter – ovdinfo.org.



⁶ 'Неожиданные цифры. Сколько россиян въехало в Казахстан с начала года?', Esquire, 21 December 2022, esquire.kz; A. Исаев, 'Сколько россиян прибыло в Казахстан с начала мобилизации', Экспресс К, 13 December 2022, exk.kz.

⁷ See 'После объявления мобилизации Россию покинули более 355 тысяч человек', Bëpcтка, 4 October 2022, t.me.

⁸ Individuals residing outside Russia for more than 183 days are no longer considered Russian tax residents and their income is taxed at a rate of 30% (instead of 13%). Work is underway on a law, which is intended to reduce the number of instances in which Russian companies can hire non-tax residents living abroad.

demand that the rights of their relatives be respected, made up a large part of the protesters and the detained. The male protestors were frequently conscripted on the spot. The street protests died down after several days, which was mainly due to unprecedented brutality of the law enforcement officers, and the scale of repression and penalties faced by the protestors.

In subsequent weeks, Russians mainly manifested their discontent online, in a number of ways. Most often they criticised irregu-

Due to widespread poverty, many Russian citizens view their participation in the war as an opportunity to improve their living standards.

larities in the mobilisation process. For example, the recruiters put individuals ineligible for enlistment (e.g. students) on the list of conscripts and failed to meet conscription standards (not providing the conscripts with equipment and clothes, organising substandard lodging, there were cases of conscripts being abused by their superiors, not receiving the payment they had been promised, and being sent directly to the front without appropriate training). The mobilisation itself also came under criticism for being a criminal and harmful practice for the Russian state. Mothers and wives of the mobilised servicemen published videos on social media calling on them to be sent home, and soldiers asked their superiors to improve the conditions of their service. These messages were addressed to the regional authorities and directly to President Putin, whom most Russians continue to view as a last resort in resolving social problems.

Since the beginning of the invasion, there have been instances of extremely violent acts of protest against the war and mobilisation, including setting fire to military enlistment offices and administration buildings. By the end of September 2022, the authorities had recorded fifty such incidents nationwide and detained several perpetrators. The media devoted a lot of coverage to a young man who shot at an employee of a military enlistment office in Ust-Ilimsk (Irkutsk oblast) in an attempt to help his brother avoid conscription.¹⁰

In response to social tension, which had been mounting as a result of the chaotic and illegal mobilisation process, Russia's leading propagandists (in particular Margarita Simonyan, the head of the Russia Today news agency) began to clarify the irregularities and to identify those guilty of abuse. In October and November 2022, initiatives intended to help the conscripts were the main element of the media narrative nationwide. This corroborates the view that the Russian authorities have concluded that the manner in which mobilisation is being carried out may trigger unfavourable social sentiment. However, the media did not challenge the legitimacy of mobilisation itself.

The majority of men followed the Kremlin's guidelines and showed up at the military enlistment offices, which enabled the state to carry out its plan to mobilise 300,000 soldiers. The main reasons behind this submissive attitude included fear of the consequences of not showing up, not being aware of the right to refuse conscription, and the conviction that there is no alternative (for example, some individuals were unable to leave Russia because they did not have a passport, the necessary funds or travel experience). Other important factors, especially in less affluent groups, include the attractive salary offered to the mobilised soldiers and various benefits for their families. There is widespread poverty in Russia: at present more than 15 million Russians, or 10.3% of the country's population, live below the poverty threshold,¹¹ and a further 15 million live precariously close to this standard, so loss of employment or the birth of a child may plunge them into poverty. Due to this, a major portion of

¹¹ 'Росстат представляет информацию о границе бедности в I квартале 2022 года', Росстат, 10 June 2022, rosstat.gov.ru.



¹⁰ For more on acts of sabotage see for example 'С начала войны в России совершили 50 поджогов военкоматов и административных зданий «Медиазона» рассказала, кого и как преследуют за эти нападения', Meduza, 28 September 2022, meduza.io; '«Не допустить мобилизацию брата»: стрелявший в военкома Руслан Зинин рассказал о мотивах своего поступка', Весьма, 19 November 2022, vesma.today.

Russian citizens view their participation in the war as an opportunity to improve their families' living standards, to get out of extreme poverty and debt.

Following the announcement of mobilisation, a major decline in public sentiment was recorded in opinion polls: in September 2022

II The negative impact of mobilisation was visible in many sectors of the economy, but in many of them it was short-lived.

a mere 7% of respondents indicated that their general physical and mental state was very good, as many as 32% said that they felt irritated and tense, and 15% experienced fear (in June 2022 the corresponding figures were 15%, 17% and 4%, respectively). However, this trend did not last long. In November 2022, the Russians felt better again – 12% of the respondents said that their general mood was very good, 22% felt tense, and 8% experienced fear.¹²

The economic costs of mobilisation

The mobilisation and the new wave of emigration have dealt a major blow to the economy, the more so because they triggered a further escalation of the war in Ukraine. Although the Russian authorities do not share information on the cost of war-related activities, estimates compiled in September 2022 on the basis of incomplete data published by the Ministry of Finance indicate that Russia's current war-related spending (which did not include the cost of stockpiled armaments and ammunition) is 300–400 million roubles (\$5–6.5 million) daily.¹³ The mobilisation has also significantly increased spending. The state needs to earmark at least 60 billion roubles per month for the salaries of newly conscripted soldiers alone (assuming that no more than 300,000 individuals have been mobilised). Moreover, the cost of their training, board and compensation in the event of loss of health or death needs to be added to this sum.

Following the announcement of mobilisation, the planned 2022 budget deficit increased to more than 2% of Russia's GDP (more than 3 trillion roubles), while in mid-September 2022 it had been estimated at less than 1% (1.3 trillion roubles). The recent mobilisation has also increased the spending level of regional budgets (by at least 13 billion roubles),¹⁴ since these were forced to co-finance Russia's war effort (by purchasing parts of uniforms, sleeping bags, food etc.) and to offer additional pay in order to prevent men from evading conscription.

Although the impact of mobilisation was visible in many sectors of the economy, frequently it was short-lived. Most importantly, uncertainty regarding the future has contributed to Russian society reducing its household spending. In September and October 2022, retail trade, which in summer had begun to recover slowly, fell back again by almost 10% y/y, and by 8% y/y in November 2022. Russian citizens mainly refrained from buying manufactured goods and certain services. The decline in demand was particularly noticeable on the property¹⁵ and the automotive markets.

Negative trends were particularly evident in the banking sector. Between the end of September and end of October 2022 Russian servicemen (including the newly mobilised ones) and their family members submitted more than 100,000 applications to banks requesting them to postpone the

¹⁵ The value of mortgages granted to Russian citizens in October 2022 decreased by 13% compared to September 2022, down to 488 billion roubles. See 'О развитии банковского сектора Российской Федерации в октябре 2022', Банк России, November 2022, cbr.ru.



¹² Figures compiled by the Levada Center, 'Общественное самочувствие и протестные настроения: ноябрь 2022 года', Левада Центр, 20 December 2022, levada.ru.

¹³ Е. Осетинская, '«Мы не знаем пределов терпения российских граждан». Сергей Гуриев — о причинах и экономике мобилизации', The Bell, 7 October 2022, thebell.io.

¹⁴ For more see К. Бонч-Осмоловская, 'Сколько российские регионы заплатили за войну', Важные Истории, 7 November 2022, storage.googleapis.com.

repayment of loans totalling more than 45 billion roubles. However, this sum is not expected to be a major burden on the banking sector (for comparison, in September 2022 the total value of debt owed by natural persons was more than 26.5 trillion roubles). This is because financial institutions expect that loan holders will repay their debt from the salaries they will earn for participation in the war. Moreover, due to increased migration and the continued decline in the public's confidence in the state institutions, Russian citizens have begun to withdraw their funds from Russian banks (mainly those in foreign currencies). In September 2022, the value of these funds fell by more than \$7 billion (i.e. around 10%) – this was the biggest decrease since March 2022.

The mobilisation has increased the scale of corruption, especially in its most widespread form, i.e. bribery. It is very difficult to assess

Mobilisation has caused a further disruption of the labour market, which will have negative consequences for Russia, especially in the long term.

the scale of this practice and its negative effects on the economy. Young men and their families were willing to pay as much has 1 million roubles (around \$16,000) for an official decision to defer their draft. Most frequently, unofficial payments enable men to avoid being conscripted and, sometimes, to improve the conditions of their service (e.g. obtain necessary equipment).

The Russian labour market has been particularly affected by mobilisation, and most of the negative consequences of the shrinking workforce will be observed in the long-term perspective. According to statistics compiled by Rosstat, in 2021 the Russian population included around 20 million men aged between 20 and 39 (90% of them were employed). While conscription mainly covered poorly educated residents of small towns and villages, mostly physical workers, emigration triggered by mobilisation affected the most creative and educated young people from big cities (at least 300,000 individuals). As a consequence, the labour market may have lost around 2–4% of this most productive social group. This is a major blow to the economy, especially taking into account Russia's low unemployment rate recorded since 2021. In October 2022, a mere 3.9% of the working age population (around 2.9 million individuals) were jobless, which is the lowest proportion since the break-up of the USSR. In October 2021, the figure was 4.3%. Market analyses indicate that mobilisation has most affected the small business sector – around 29% of small business (employing up to 100 individuals) and 11% of micro companies (with up to 15 employees) have lost a portion of their workforce.

As a consequence, the contraction of the labour market has become a major challenge to the economy, which is now adapting to the new situation. Due to sanctions and problems with access to Western technology, production in Russia is becoming increasingly labour-intensive and less technologically advanced. Therefore, demand for manual workers is growing. A labour shortage has already been seen in the construction sector and in many other industries which employ skilled blue-collar workers (e.g. welders and machine operators). In addition, as a result of migration, Russia is facing a shortage of specialists, mainly in the field of IT.¹⁶ Furthermore, when they decided to leave, the emigrants took their savings with them. This, in turn, affected the Russian banking and retail sectors. To assess the scale of Russia's lost potential, it is advisable to analyse the situation of Russia's neighbours, which the emigrants are arriving in. For example, Georgia's GDP is expected to grow by around 10% in 2022, which is almost twice as much as forecast at the beginning of 2022.¹⁷

¹⁷ According to a report compiled by Transparency International Georgia, in the first nine months of 2022 Georgia recorded an inflow from Russia of financial transfers, exports and tourist services worth \$2.2 billion. This accounts for 9% of Georgia's GDP. It should be noted that this sum has increased by 160% compared to 2021. Alongside this, between March and September 2022 9500 Russian companies were incorporated in Georgia (ten times more than in 2021). See 'Georgia's Economic Dependence on Russia: Impact of the Russia-Ukraine war', Transparency International Georgia, 14 November 2022, transparency.ge.



¹⁶ In December 2022, the Ministry of Digital Development of the Russian Federation estimated that around 100,000 IT specialists (around 10%) had left Russia since the beginning of the invasion of Ukraine.

Outlook

Although mobilisation has forced many Russians to realise for the first time that their country is waging a full-scale war that requires involvement on their part, it neither sparked large-scale, long-lasting protests nor provoked citizens to challenge the authorities' legitimacy. The decline in public sentiment was short-lived. Russian citizens have submitted themselves to the Kremlin's decisions and have adapted to the new situation. Most of them attempt to draw benefits from it, or focus on evading conscription by offering bribes, hiding out or emigrating. In most cases, they prefer to act individually, not collectively. Society's reactions to mobilisation seem to corroborate the view that Russians lack solidarity and have little confidence not only in the state but also in their fellow citizens. Based on the available information, mass protests and acts of rebellion should not be expected, even in the event of subsequent waves of mobilisation.

Both mobilisation and war will exacerbate the negative demographic trends. These spell a population decline, the effects of which will only become evident in the long term. The unavailability of reliable statistics makes forecasting difficult. Russia is losing its soldiers killed in action (the Kremlin conceals their number) as well as emigrants fleeing mobilisation and war (they are not included in the statistics). The armed conflict will also cause a decline in Russia's birth rate, as young men who leave their homes lose their chance to father a child (at least temporarily). In addition, the state of war and economic uncertainty result in increased social discontent and push families to postpone their decision to procreate, which will also affect Russia's demographic indicators.

The shortage and the declining quality of human capital are among the most important barriers to Russia's economic development. The labour shortage has been a major factor limiting the potential for increased industrial production. In the coming years a generation born in the period of a population decline will enter the labour market, so the situation will likely deteriorate further. According to forecasts made before the COVID-19 pandemic, in the 20–40 age group the number of employed individuals may decrease by one quarter by 2030 compared to 2020¹⁸ (due to COVID-19 and the war these forecasts are even more bleak). This, in turn, will have a huge impact on Russia's production, competitiveness and economic activity. These negative trends on the Russian labour market are particularly dangerous given the technological regression of the Russian economy and rising labour intensity.

If the war drags on, the period spent abroad by the most educated portion of Russian society will increase. This will create the risk that the emigrants will manage to adapt to living in the new environment, which in turn may undermine their willingness to return. In the context of problems in the schools and higher education system, which is increasingly isolated from cooperation with foreign partners, this will further reduce the quality of human capital and the pool of specialist workforce, which will additionally undermine Russia's development potential.

Mobilisation and war will also trigger a number of negative social trends affecting soldiers, including increased incidence of violent behaviour (especially domestic abuse), substance abuse, and mental health problems, including post-traumatic stress disorder and depression. Single motherhood and absent father syndrome are also on the rise in many families. As a result of the intensive recruitment of volunteers and their subsequent mobilisation, in ethnically non-Russian regions of the country (such as Buryatia, the Republic of Sakha and Tuva) local communities, and sometimes even entire villages, have problems with normal functioning because of the lack of a local workforce.

¹⁸ 'Рынок труда: «сдвиг и шок»', Economy Times, 21 November 2022, economytimes.ru.

APPENDIX

Pay and benefits offered to the mobilised individuals

The minimum monthly salary for a mobilised soldier is 195,000 roubles (around \$3000), and the final sum depends on their rank, position and additional bonuses. For comparison, in September 2022 Russia's average salary was around 60,000 roubles. The conscripts and their family members are also entitled to extra benefits (financial or other)¹⁹ from the regional authorities. Moreover, they receive numerous subsidies (e.g. financial assistance to pay their rent), are entitled to property tax relief and loan repayment deferment.

Soldiers discharged from military service due to injuries sustained on the battlefield can receive an extra payment and compensation payments of up to 5 million roubles (i.e. around \$70,000, of which 60% comes directly from the state budget). Families of soldiers killed in action receive payments of up to 12.5 million roubles (i.e. more than \$180,000, 40% funded from the state budget). However, the state does not necessarily its obligations For example, the family of a dead soldier is only entitled to a compensation payment when the soldier's body is found (many soldiers are considered missing in action).

¹⁹ In Kostroma Oblast, a mobilised soldier was offered a one-off payment of 50,000 roubles, while in Sakhalin Oblast it was 300,000 roubles. Apart from that, families of the conscripted individuals received firewood, sheep and fish from the local authorities. See 'Дрова, картошка, бараны и рыба: как власти регионов компенсируют семьям уход мужчин на фронт', Republic, 6 October 2022, republic.ru.

