

ABSTRACT

Over the three decades, the Russian Federation government introduced a string of industrial policies responsible for industrial structure change from a planned state-run economy to the market-based one and the return of command control structures under President Putin. It grew out into four phases of economic growth from 1991 – the post-communist decline between 1991 and 1999, the reconstructive phase between 2000 and 2007, the recession between 2008 and 2010, and the stagnation phase from 2010 to the present (Mau, 2016; Ahrend and Tompson, 2005; Aris and Tkachev, 2019). Consequently, this study investigates Russia's industrial structure transformation through these four phases of economic growth. While the Russian government implemented industrial policies annually for short, medium and long-term development, the four phases of economic changes domicile their impacts. In this respect, the study will compare the shifts in industrial structures during these four phases of Russian economic growth by comparing their industrial structure upgrade index.

In this respect, the study focuses on realising Russia's structural adjustments together with transformation methods over the three decades of its existence. It includes showing how the Russian economy experienced growth (exponential, slow, retarded) over its four phases of economic development. It highlighted when it experienced difficulties in its adjustments and the impact of industrial policy on stimulating structural change. In the evaluation, the study expects to reveal changes in features that impact economic growth, quality, momentum, structure, wealth distribution, and institutional environment. Over the four phases, Russia's economic growth, decline, and retardation have occurred. Evidence from existing studies explains the structural change theory that economic development happens with industrial improvement and structural optimisation. It inspires the research about how Russia experienced industrial structural change over the four phases of its economic growth. In the process, the study evaluates how supply-side and demand-side determinants and

mechanisms of industrial change suggested by Xiao, Pan, and Liu (2018) impacted Russian industrial structure change over the four phases.

In exploring the transformation of the Russian industrial structure, the study improves on evidence from existing studies. From existing studies (Aris et al., 2019; Savona et al., 2005; Warwick, 2013), structural transformation explored is the interrelated process of industrial structural change that comes with economic development. To existing studies (Song et al., 2013; Zhang et al., 2022; Han et al., 2017), structural transformation is the change in the structural composition of the economy defined by an increase in the share of non-agricultural sectors, while that of agriculture decrease. Another aspect is that the sectoral shift reflects in the patterns of employment – the level of the workforce engaged in non-agricultural sectors increases while those in agricultural ones decrease. The structural change also occurs with the redistribution of labour between rural and urban areas. It also causes an increase in the capital-labour ratio employed in non-agricultural sectors and a decrease in the agricultural ones. Given the above understanding, the study evaluates how the Russian industrial structure transforms in the four economic growth phases.

However, these evaluations in existing studies are a shallow and traditional exploration of industrial structure, as Chen and Xie (2019) suggested. In specific further developments, the study checks the influence of industry policy on industrial structure composition in its three levels – primary, secondary, and tertiary. It requires a detailed investigation of determinants responsible for industrial structure change; the study classifies them under demand-side and supply-side factors. In the process, the study shows the trade-off between factors for Russia to realise a particular industrial structure transformation. As a net contribution from determinants of industrial structure drives advances in industrial structure, the study evaluates the determinant of Russia's federation industrial structure transformation for the four phases of economic development in supply-side and demand-side classes. On the demand side, the factors considered touch consumption demand, investment demand, and export demand. In

contrast, on the supply side, they include those touching technology supply, labour supply, and institutional supply.