


## The economic development of the Russian Federation

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Article Info	Abstract
<p>Original Article                      Main Object: Economics                      Scope: BRICS</p> <p>Received: 08 January 2024                      Revised: 05 February 2024                      Accepted: 14 February 2024                      Published online: 03 March 2024</p> <p><b>Keywords:</b>                      energy-centric development,                      knowledge-based development,                      multidimensional economic                      development,                      principal component analysis,                      welfare-centric development,                      Russian Federation.</p>	<p>Economic development is considered one of the key yet elusive concepts in the field of economics. Russia has, throughout previous centuries, contemplated the trajectory of its development and has undergone rapid or gradual processes under various temporal challenges. The objective of composing this article is to conduct a multidimensional analysis of economic development in the Russian Federation during 2000-2022, considering the question: "Given the external crises in the past two decades, which facet of Russia's economic development has experienced more pronounced progress?" In response to this question, a hypothesis is posited that the speed of welfare-oriented economic development should receive greater attention from the Russian federal government due to the socio-economic conditions in Russia. In this article, an innovative conceptualization of economic development is undertaken, encompassing three facets: energy-oriented economic development, knowledge-oriented economic development, and welfare-oriented economic development. Utilizing the principal component analysis method and radar chart to analyze the trends of these three facets, the results indicate that both energy and knowledge dimensions of Russia's economic development have shown increasing trends from 2000 to 2022. However, the welfare dimension in the country has experienced a declining trend during this period. Moreover, the highest growth rate in the dimensions of economic development is attributed to the knowledge dimension, with its value escalating from 1.74 in 2000 to over 5.78 in 2022. This significant surge in the knowledge dimension signifies Russia's entry into a knowledge-oriented development over the past two decades. This development, grounded in information and communication technology, has the potential to bring about profound changes that transcend geographical and temporal constraints, bestowing the gifts of development across the geographical expanse of the country. The findings underscore the transformative trajectory of Russia's economy toward knowledge-centric modalities, indicative of a significant evolution in the nation's developmental ethos over the specified period.</p>
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## Extended Abstract

### Introduction

The term "development" embodies a dichotomy, simultaneously evoking foreignness and familiarity. Each nation, propelled by its unique cultural, geographical, and economic characteristics, charts a distinctive developmental trajectory, reaping tangible consequences. However, the crux of the matter resides in the nebulous upper threshold defining development for countries. Diverse perspectives abound, as some equate development with mirroring advanced nations, others with achieving economic self-sufficiency, some prioritize political independence, and yet others emphasize the creation of socio-economic well-being or global integration.

Economic development, a multidimensional and intricate concept within the domain of economics, assumes a position of paramount significance. A retrospective analysis of Russia's historical trajectory unravels a nation traversing developmental pathways, navigating through tumultuous and gradual phases in response to an array of contemporary exigencies.

### Aims

This article embarks on a meticulous scrutiny of the economic development trajectory within the Russian Federation spanning the years 2000 to 2022. This exploration is spurred by a central inquiry: "In light of the external crises characterizing the past two decades, which facet of Russia's economic development has witnessed more pronounced advancements?" Formulating a conjecture, the contention posits that the acceleration of welfare-centric economic development necessitates heightened attention from the federal apparatus of the Russian government, a proposition underscored by the intrinsic socio-economic milieu of the nation.

### Methods

The analytical framework introduces an innovative conceptual triad of economic development, delineating three cardinal dimensions: energy-centric economic development, knowledge-centric economic development, and welfare-centric economic development. Methodologically, the study employs the rigor of principal component analysis and the graphical representation provided by a radar chart to discern and elucidate the trajectories of these dimensions.

### Results

Discernible trends in the findings unveil ascendant trajectories in both energy and knowledge dimensions from 2000 to 2022. Simultaneously, the welfare dimension undergoes a perceptible descent during this temporal span. Significantly, the zenith of growth within the realm of economic development is ascribed to the

knowledge dimension. The numerical representation of this dimension undergoes a marked ascent, escalating from 1.74 in 2000 to a noteworthy 5.78 in 2022. This conspicuous paradigm shift within the knowledge dimension attests to Russia's entry into a knowledge-oriented developmental paradigm over the preceding two decades.

This transformative trajectory, anchored by information and communication technology, signifies a seminal inflection point. It holds the potential to proffer developmental opportunities transcending the constraints of geography and temporality, heralding a comprehensive transformation across the expansive geographical tapestry of the nation. Consequently, the contemporary economic development landscape in Russia manifests a discernible recalibration towards knowledge-centric modalities, indicative of a profound evolution in the developmental ethos of the nation-state. Essentially, the study underscores the dynamic and multifaceted nature of the developmental trajectory, resonating with the intricate tapestry of global economic landscapes.

### **Conclusion**

The existence and expansion of a knowledge-based economic development model offer numerous advantages for the Russian economy, particularly in the face of severe sanctions imposed by the Western bloc. The transition to a knowledge-based economy promises to elevate manufacturing industries through indigenous knowledge and innovation, reducing Russia's reliance on importing knowledge and technologies from the West for industrial development. The heightened role of knowledge in skill development is anticipated to enhance productivity and creativity, fostering the growth of small and medium-sized enterprises (SMEs) in the Russian economy. This trend is evident based on Russia's national data and is expected to continue on a growth trajectory. As of 2021, there were 6.2 million small and medium-sized enterprises in the Russian economy, with 41% being small enterprises and 55% categorized as medium-sized enterprises. Notably, leveraging the capacities of small and medium-sized enterprises under sanctions can be more feasible than relying on the exclusive capacities of large enterprises to counteract the adverse effects of economic sanctions.

Another notable advantage of knowledge-based economic development lies in enhancing the global capabilities of the Russian economy. Knowledge, being the linchpin of innovation and technology, can drive technologically-driven economic development, fostering more dynamic interactions and greater financial benefits for the Russian Federation in its interactions with Western countries, which often serve as knowledge leaders. This evolution underscores the adaptability and resilience inherent in Russia's pursuit of a

knowledge-oriented developmental trajectory.

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### Conflict of interest

The authors declared no conflicts of interest.

### Authors' contributions

All authors contributed to the original idea, study design.

### Ethical considerations

The authors have completely considered ethical issues, including informed consent, plagiarism, data fabrication, misconduct, and/or falsification, double publication and/or redundancy, submission, etc.

### Data availability

The dataset generated and analyzed during the current study is available from the corresponding author on reasonable request.

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