

This master thesis is dedicated to Russian development and determinants of its growth. Just two decades ago Russia experienced a total change in the political and economic structure of the country. USSR fall, together with all its successes and failures. Russia went to the path of building a market economy, while the rest of the developed world was already living in such economy and using its benefits. With the heritage of the USSR, Russia had a huge potential to be successful in that road. The goal of this work is to answer the question, whether or not we were able to use it. In order to answer this question two-stage analysis was performed, combining theoretical and quantitative parts. Theoretical part contains the overall analysis of the areas of economic and social development. Quantitative part contains analysis of the main GDP drivers and endogenous powers of industrial production.