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STRUCTURAL TRANSFORMATION AND ECONOMIC GROWTH: A COMPARATIVE ANALYSIS OF BOTSWANA, GHANA, NIGERIA AND SOUTH AFRICA. WHAT LESSONS CAN WE LEARN?

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At present, the Russian economy has been under new conditions due to global turbulence and the enforcement of eight sanctions packages, which, to varying degrees, will or have already had an impact on economic activity in various sectors of the economy. Moreover, the structure of Russian exports is dominated by the export of natural resources. In this context, there is a risk of the "Dutch disease" syndrome. As shown in empirical papers on the Dutch disease, the statistical relationship between economic growth rates and natural resource endowment is positive (Brunnschweiler, 2008; Ding, Field, 2005). However, the dependence on natural resources has a negative impact on growth rates, according to Ding, Field (2005).

Of particular interest in this regard are the economies of countries that possess natural resources. At the same time, these countries have managed to avoid fully or partially resource dependence shown not only fast growth, but also improvements in living standards and well-being of the population, increasing the level of education, i.e. show certain successes in development. Such economies are called "success stories" in the development economics literature. This paper focuses on the African region, which is rich in abundant natural resources (Diao et al., 2017; McMillan Rodrik, 2011). It is important to note that Sub-Saharan Africa[2] has experienced rapid economic growth since 2000. According to the Total Economic Database[3], from 2000 to 2007 and from 2010 to 2017, the average annual growth rate of labor productivity or GDP growth per person employed in Sub-Saharan Africa was 3% and 2%. In the literature, this phenomenon has known as the "African economic

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[2] Sub-Saharan Africa refers to the geographic area of the African continent south of the Sahara Desert. This region is also known as Sub-Saharan Africa, which includes 48 countries. Geographically, the countries of the region is classified into four regions as South, West, Central, and East Africa, not including North Africa. URL: https://futures.issafrica.org/geographic/regions/sub-saharan-africa/ (accessed: 03.11.2022).

[3] Based on the report of the Conference Board Productivity Brief 2019. Table 9, pp.15-16.

miracle" (McMillan, Harttgen, 2014; Rodrik, 2016). Here the question arises: What are the reasons for the recent economic growth in Sub-Saharan Africa?

The purpose of this paper is to systematize approaches and mechanisms in building a development strategy based on a literature overview. Hence, this paper attempts to answer the following questions: What options for diversifying the economy can the country whose economy is resource-based? What new ways and mechanisms can be taken into account and integrated from the experience from other countries in the framework of building strategies for long-term development for the Russian economy?

To answer the above questions, we take Botswana, Ghana, Nigeria and South Africa as examples. In examining the four African countries, we are interested to identify how each of them, taking into consideration their regional and national characteristics, was able to reach a long-term economic growth trajectory and avoid fully or partially the Dutch disease syndrome. The work consists of two stages. In the first stage we use the method of decomposition of labor productivity, formulated by McMillan & Rodrik (2011), which allows us to identify which component (intra- or inter-industry) plays a role in the growth of labor productivity. The paper also reports the analysis of basic stylized facts as relative employment rate, share of employment, and share of value added using 11 sectors as examples.

Second, the main tool of analysis in the paper is the literature review, which identifies key aspects of the transformation process through the lens of literature and theory. The review of the literature on development economics within the countries under study is based on the following criteria as institutions, trade, geography, natural resource endowment, and structural shifts. The criteria are drawn from works examining growth, structural transformation, and productivity (McMillan et al. 2017; Rodrik, 2003; Rodrik et al., 2004).

The explanation of the choice of case studies are not only motivated by the fact all four countries are resource abundant, but also for the following reasons: a) South Africa is the largest economic player in the region and has also been a member of the BRICS group of countries since 2010. Its economy was able to overcome post-apartheid socio-economic problems and cope with the effects of restrictive economic sanctions imposed on South Africa during apartheid (Lundahl, Peterson, 2013); b) Nigeria is a major oil producer and a member of the OPEC group[4]. According to studies on the relationship between economic growth and employment, conducted by researchers from the WIDER Institute[5], Nigeria is included in the group of "African Lions" countries; c) The case of Ghana is motivated by get insight of

[4] Source: https://www.opec.org/opec_web/en/about_us/25.htm (accessed: 03.11.2022).

[5] The group of African Lion countries includes Ethiopia, Ghana, Kenya, Mozambique, Nigeria and South Africa. The above countries, according to the project researchers, is characterized as fast-growing and economically dominant African countries. Source: https://www.wider.unu.edu/parallel-session/africa%E2%80%99s-lions (accessed: 03.11.2022).

the role of structural change for growth. Since 2010, Ghana began to produce and export oil. This fact affected the structure of the economy (Osei et al., 2020). d) Botswana as a country case is interesting in several aspects. First, sound economic policies and well-functioning formal institutions have allowed Botswana to overcome unfavorable starting conditions, according to Acemoglu, Johnson, Robinson (2002). Second, Botswana has direct close trade and economic ties with South Africa, neighbors it and is part of the Southern African Customs Union. Botswana has been an important economic partner of South Africa for a long time. Third, Botswana and South Africa are both upper middle-income countries, like Russia, according to the World Bank.

Thus, the results obtained from the studied literature show that only a combination of different factors provides a holistic view of the mechanisms and main directions of the construction and elaboration of development strategy in the long term. Literature analysis supported by empirical conclusions about the direction of structural shifts provides a qualitatively new insight into the processes that took place in these countries. This experience can be of interest for the Russian economy and can be used as additional models to solve current problems and to be included in new development strategies to stimulate economic growth in the long-run term.

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