

**PUTIN'S POLICY IN HANDLING THE RUSSIA'S ECONOMIC
PROBLEM
(A Case Study of The Opposing of The IMF Formula)**

AN UNDERGRADUATE THESIS

Presented as partial fulfillment of the requirement for the degree of Sarjana Ilmu Politik
(S. IP) in the Department of International Relations, Faculty of Social and
Political Sciences, Muhammadiyah University of Yogyakarta



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**DEPARTMENT OF INTERNATIONAL RELATIONS
SOCIAL AND POLITICAL SCIENCES FACULTY
MUHAMMADIYAH UNIVERSITY OF YOGYAKARTA
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ENDORSEMENT PAGE

This undergraduate thesis entitled:
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ABSTRACT

Russia is a country that has a communism background in its history. But nowadays, Russia is more to be open to do foreign affairs, including the relation with IMF. In Yeltsin era, IMF suggested the formula to handle the Russia's economic problem that already appeared before the formation of Russia Federation. Yeltsin was welcome with this formula and he decided to implement it in Russia right away. The implementation of IMF formula in Russia was in hurry and unstructured. Yeltsin focused in economic growth only and did not care was the political structures in his governance. The IMF formula was in disorder and it worsened by the corruption practices that had been done by the elite groups in Russia. Yeltsin could not do anything and the elite groups dominated the Kremlin more and more. The 1998 economic crisis happened and the oppositions forced him to resign. Finally, Yeltsin resigned and was replaced by Putin. Putin as a new comer got many supports from Russian people. Putin directly arranged the strategy to handle the economic and political confusion in Russia. He was very brave in facing the elite groups of Russia and strengthen his position in Kremlin by dominating the Kremlin with his 'old friends' to bring the glory of Russia back. Putin also cut the relations with IMF. He rejected and opposed with the implementation of IMF formula, and decided to use the ability and resouces of Russia itself without foreign intervention. He implemented the programs that could increase the social welfare. In his program, Putin run both politic and economy in balance, but he pressed political restructuring first and then it will be followed by the economic stability of Russia. Putin who was authoritarian, succeeded in rising the Russia from the economic depression, even he could bring Russia to become one of developed countries and a super power country in the world.

Key Words: The Failure of The IMF Formula, Putin's Policy.

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