

ABSTRACT

This study aims to describe the early development of the Jakarta Stock Exchange from 1977 to 1992, explain the institutional transformation of the Jakarta Stock Exchange from 1992 to 1997, and analyze the role of the Jakarta Stock Exchange in maintaining the resilience of the Indonesian capital market during the 1997–2000 monetary crisis. The method used is the historical method which includes heuristics, source criticism, interpretation, and historiography. The results show that during the 1977–1992 period, the Jakarta Stock Exchange experienced a stagnation phase known as the "long sleep period" with only 24 listed companies until 1987, then recovered after the government implemented deregulation packages (December 1987 Package, October 1988 Package, December 1988 Package) which successfully increased the number of listed companies to 145 by 1991 and boosted the Composite Stock Price Index (CSPI) from 82 points to 507 points. During the 1992–1997 period, institutional transformation occurred through the privatization of the Jakarta Stock Exchange into PT Bursa Efek Jakarta on July 13, 1992 and the modernization of the trading system through the Jakarta Automated Trading System (JATS) in 1995, which resulted in an increase in trading volume from 5.2 billion shares (1994) to 75.5 billion shares (1997) and the number of listed companies reaching 282. During the 1997–2000 period, the monetary crisis caused the CSPI to fall from its peak of 740 points to 256 points, but the Jakarta Stock Exchange responded by implementing auto rejection and trading halt mechanisms with coordination from the government, Bapepam, and Bank Indonesia, so that the CSPI recovered to 716 points in 1999. The author concludes that the Jakarta Stock Exchange has transformed from a government-managed institution into a professional private entity and has played an active role in maintaining capital market stability during the crisis.

Keywords: Deregulation, Institutional Transformation, Jakarta Stock Exchange, Monetary Crisis 1997, Privatization