The Malaysian Federation in 1963 and the Indonesia-Malaysia Confrontation: An Analysis of the Bipolar International System

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Abstract: This paper discusses the formation of the Federation of Malaysia and the Indonesian objection to it from the perspective of the bipolar international system. The confrontation policy launched by Indonesia in September 1963 ended in April 1967 when Suharto became president. Why did the policy and bilateral relation change after the fall of Sukarno? We assess that the systemic factor strongly influenced the Indonesian policy towards Malaysia. The bilateral relations between the two countries shifted after April 1967 as a result of the changes that took place in Indonesian domestic politics. Western powers, especially the United States, had supported Suharto’s ascension to power, with the purpose of avoiding the formation of a communist state in the region. This paper demonstrates that the systemic structure has strongly influenced the Indonesian policy towards Malaysia. The changes in the domestic politics of Indonesia could be considered a part of the United States’ strategy of blocking communism from spreading in Southeast Asia.

Keywords: bipolarity, Indonesia, Malaysia Confrontation, Malaysia, Indonesian Coup

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Introduction

This paper discusses the formation of the Federation of Malaysia on the 16th of September 1963 and the Malaysia-Indonesia confrontation policy from perspective of the bipolar international system. The bipolar structure of the Cold War is important in understanding the relations between Indonesia and Malaysia during the 1960s.

Why did Indonesia disagree with the formation of Malaysian federation and launched a policy of confrontation over the new state in September 1963? Culturally, Malaysia and Indonesia are very similar in terms of religion and language. Both have majority Muslim population speaking a generally similar Malay language. The cultural and linguistic similarities have influenced their bilateral relations during the 1960s. In discussing this issue, we shall relate to the systemic factor. In this case, however, we point out that religion, language and culture played a minimal role in influencing the bilateral relations.

The confrontation policy launched by Indonesia (under President Sukarno) in September 1963 (when Tunku Abdul Rahman declared the formation of the new federation on September 16th 1963) ended in April 1967 with the emergence of the "new order" in Indonesia, a pro-West administration under President Suharto. However, this aspect cannot be explained without referring to the changes occurring at domestic level, which were also linked to the relations and power configuration among the two world powers (the United States and the Soviet Union). The US-Soviet Union relation is therefore important in explaining domestic political
development in Indonesia, since Suharto’s new order is largely influenced by it.

The discussion in this article is divided in eight parts: theoretical framework - Structural Realism and Bipolar Structure, The Formation of the Federation of Malaysia and the Bipolar Structure, the Indonesian hostility towards the formation of a Malaysian state, bilateral relations after the fall of President Sukarno, the Indonesian Coup of 1965 interpreted by means of the bipolar structure, the relationship between the systemic and domestic factors and conclusions.

**Theoretical Framework: Structural Realism and Bipolar Structure.**

The discussion in this study is based on the structural realism ideology and the Cold War’s bipolar structure. Structural realism is concentrated on the existence of a system and not on the human factor in creating the system.¹ Furthermore, the international political structure plays a crucial role in analyzing and understanding international relations and decision-making processes.²

Structural realism differs from both classical and neoclassical realism. Classical realism focuses on state leaders and their subjective valuation of international relations, while neoclassical realism rejects the

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idea that the systemic (international structure) level is the only level of analysis needed in studying international relations. From the neoclassical realist perspective, international relations and foreign policy analysis includes systemic, internal and also an individual level of analysis. The neoclassical realism argument can work in the case of strong and stable states, while becoming questionable for the weak and unstable ones, as is the case of third world countries like Malaysia and Indonesia during the Cold War. We assess that structural realism is more accurate in their case.

During the Cold War, the systemic factor and the role of the United States and Soviet Union had a great impact on third world leaders, as they did not have many options in terms of foreign-policy. They had to choose whether to become a satellite state of the Soviet Union or lean towards the West. The international arena therefore played an important role in determining the course of action of the leaders of small and weak states during that period.

**The Formation of the Federation of Malaysia and the Bipolar Structure**

The formation of Federation of Malaysia on September 16th, 1963 was closely related to the political development within South East Asian of

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3 Jalal Dehghani Firoozabadi & Mojtaba Zare Ashkezari, “Neo-classical Realism in International Relations,” *Asian Social Science*, vol. 12, no. 6, 2016, pp. 95-99.


the bipolar structure, which had a couple of similarities to the political development and the Soviet Union’s expansion in Europe during the late 1940s.\(^6\) The Communist movement in Singapore in the early 1960s gave rise to the idea of merging the Republic of Singapore and Federation of Malaya as one unit of political administration. This decision was also sanctioned by Great Britain. The main objective was to save and secure Singapore from becoming a communist state. The Socialist Front (Barisan Sosialis), a leftist political party, gained very strong support from Singaporean mass population in the early 1960s. In April 1961, in the Hong Lim by-election a left wing candidate (pro-communists) won the election with a large majority vote. The People’s Action Party (PAP) candidate had only obtained 2,820 votes while the left-wing candidate got 7,747 votes.\(^7\) Therefore the People’s Action Party (PAP) had an unstable position and uncertain future in the government. The Hong Lim result showed how the left-wing (pro-China Communists) could gain political power in Singapore through the general election process. By merging Singapore with Federation of Malaya, PAP’s political position would be stronger, making it impossible for communist groups to control Singapore’s politics.\(^8\)


Tunku Abdul Rahman, prime minister of the Federation of Malaysia disagreed with the idea of merging the two countries because the ethnic Chinese would have become the majority population in the new federation, undermining the position of Malay politics. The prime-minister only accepted to merge the two countries if Great Britain would agree to free all of their colonies in the Borneo Island (British North Borneo, Sarawak and Brunei).\(^9\) Due to the very tense situation in the early 1960s, Great Britain agreed to the idea and the colonies became independent. The expansion of the Communist ideology in East Asia starting with 1949 was closely related to the British decision of freeing the colonies. In the early 1960s, the Soviet Union had a strong influence in Vietnam under Ho Chi Minh. Nevertheless, the chances of expanding the Soviet Union’s influence in the region increased.\(^10\) Similar to Vietnam, Indonesia was also influenced by the communists in the early 1960s. The position of Indonesian Communists under Aidit, Lokman and Nyoto became stronger in the Sukarno government since late 1950s.\(^11\)

The formation of Federation of Malaysia on 16 September 1963 was closely related to the international and regional political development within the bipolar structure of the North East and South East Asian regions.

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The creation of a Communist China under Mao Tse-tung in October 1949 and the Korean War 1950-1953 strongly influenced the American strategy toward communist states in Asia.\textsuperscript{12} Without American involvement in the area, the possibility that the free non-communists states would fall under communism was still considerable.

The Indonesian hostility towards the formation of a Malaysian Federation

In the early 1960s, the communists were very strong within the Indonesian government. Although, President Sukarno was not a communist, the alliance with PKI after 1956 contributed to the stronger position of the communists.\textsuperscript{13} External support from both China and Soviet Union for the Indonesian Communist Party also led to the rise of the Indonesian Communist Party or Partai Komunis Indonesia (PKI) in the late 1950s and early 1960s.\textsuperscript{14} The formation of the Malaysian federation was therefore jeopardized. The communists’ strategy was to control Singapore’s politics by transforming it in a communist state (the South-East Asian Cuba, as they called it). With the formation of a Malaysian Federation, Singapore would

\textsuperscript{12} Yuen Foong Khong, “The United States and East Asia: Challenges to the Balance of Power,” pp. 184-185.
have been a failed plan of the communists. If the Socialist Front won a large majority in the Singapore General Elections, the creation of a pro-
Communist government in Singapore would have become impossible (because the anti-communist political party was very strong in Federation of Malaysia).  

As a result, Mao’s idea of having only four great powers in Asia (i.e. China, Japan, Indonesia and India) could not be implemented, a fact that became clearer and clearer with the formation of the Federation of Malaysia on 16 September 1963. For him, “Greater Indonesia” (or Indonesia Raya) included the Malaysian peninsula, parts of Thailand, the whole Borneo Island and parts of the Philippines. The communists decided to destroy the newly-created state, Malaysia, as it represented an obstacle for their strategy in the region. The policy of confrontation (Ganyang Malaysia) with Malaysia began on 16 September 1963.

The bilateral relations of Malaysia and Indonesia after the fall of Sukarno

The Policy of Confrontation and the bilateral relations between Indonesia and Malaysia changed dramatically after the fall of President

15 Muhammad Muda, “Malaysia’s Foreign Policy and the Commonwealth,” The Round Table, no. 320, October 1991, pp. 455-457.  
Sukarno in September 1965. After the coup of 1965, Indonesian politics was controlled by the Suharto and the “New Order” doctrine. Sukarno’s influence was dramatically replaced by the anti-communist political group. The bilateral relations changed from being confrontational under Sukarno to being harmonious during President Suharto’s administration.

Suharto’s policy was definitely a pro-Western one. The Indonesian diplomatic relations with democratic-capitalist countries rapidly improved under Suharto’s administration. Foreign investments and trade with Western countries were also strongly encouraged by the ‘New Order’. At the same time, relations with communist countries were banned.

The formation of the federation of Malaysia could be considered one of the Western international security projects in South-East Asian region. Malaysia’s main objective was to strengthen the position of democratic political parties (PAP in Singapore and the Alliance political party in Malaysia) while decreasing the influence of the communist group (Socialist Front in Singapore and Malaysian Communist Party). The new federation (Federation of Malaysia) gained the support of Great Britain, US and the other Western powers.

18 Ibidem, p. 300.
Under the rule of Tunku Abdul Rahman (and then replaced by Tun Abdul Razak Husein) Malaysia was dominated by anti-communist groups. Under Suharto, Indonesia also had a similar political philosophy. This become the main incentive of creating better diplomatic relations between the two countries after 1965. Furthermore, with the strong support of the pro-Western groups in Indonesia and Malaysia, South-East Asia started paving their way towards democracy.

The Indonesian Coup of 1965. An interpretation by means of the bipolar structure

The Indonesian Coup on the 30th of September 1965 was an important turning point of Indonesian politics. The coup is important in explaining the process of political changes and the fall of communist ideology in Indonesia. The Indonesian Coup of 1965 could be interpreted from various angles, but for the sake of the argument, it will be interpreted as the United States’ strategy in overcoming the communists’ influence in Indonesia. After the coup, the domestic politics of Indonesia changed dramatically. Some authors see the incident as a communist act aimed at gaining influence in Indonesia. In analyzing the Indonesia-Malaysia confrontation and the Indonesian Coup of September 1965, we have to relate the incident to the international and regional political structure.

From the perspective of the bipolar system and the West’s struggle for power, Suharto (and the anti-communists group) and the United States were responsible for the event, as they were trying to avoid the
development of a communist Indonesia. During the mid-1960s, the position of the communists under Chairman Aidit was very strong in Indonesian politics. South-East Asia was clearly divided by two poles of power. Indochina, especially North Vietnam, was controlled by the communist under Ho Chi Minh. The position of South Vietnam wasn’t secured and the Americans were not so confident in protecting South Vietnam. As a result South Vietnam would later lean towards the communist spectrum.

Similarly, western countries couldn’t secure their position in Malaysia, Singapore, Thailand and the Philippines and even Indonesia, the latter being very important in South-East Asian geopolitics. Therefore, the United States, as the leader of the anti-communist fight, had to act in order to protect the pro-West political group in Indonesia. The Indonesian Coup of September 1965 was an action meant to help the anti-communist group gain political power. The Indonesian Coup was strongly influenced by systemic factors, namely, the two great powers dominating the international politics. Both had to protect and support their group, in accordance to the “Domino theory”.

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When the Indonesian domestic policy changed after 1965 (the anti-communists gained power in Indonesia), bilateral relations followed this development, because Malaysia was a pro-Western and anti-communist state. All the anti-communist states in South-East Asia decided to cooperate in order to form a regional organization meant to strengthen their position. The creation of Association of South East Asian Nations (ASEAN) in August 1967 was also seen as a strategy of the democratic states in South-East Asia for consolidating their position in the international arena. The strong support from the United States in the formation of ASEAN is notable. Without their help, it would have been impossible for ASEAN to survive and achieve their objective, especially in the early years after formation. There was a close relationship between the bipolar structure, systemic and domestic factors and the role of regional association in the changes of Indonesia-Malaysia bilateral relations. 24

Bipolar Structure, Systemic and Domestic Factors in the Indonesia-Malaysia Bilateral Relations

The changes within Indonesian domestic politics (mainly the new order) were the key factors determining the harmonious relations with Malaysia after 1965. But how did the changes in the Indonesian politics occur? Who was responsible for the changes from the “old order” under Sukarno to the

“new order” under Suharto? We cannot solely explain the changes in Indonesian domestic politics by referring only to internal affairs. This is mainly because internal affairs were closely connected to the systemic, regional and international political structure.\textsuperscript{25} The changes within domestic politics weren’t to occur without US international assistance. Why has the US supported the anti-communist group in Indonesian politics? The struggle for power and political development in South-East Asia and Asia Pacific in mid-1960s influenced the Americans to help anti-communist groups as a consequence of the international bipolar structure.\textsuperscript{26} The American decision in Indonesian politics was to create a secure anti-communist government in Indonesia and secure their sphere of influence in the South-East Asian region.

**Conclusion**

Given the bipolar structure of the Cold War, systemic factors led to the formation of Malaysian Federation in September 1963. The bilateral relation between Indonesia and Malaysia changed after April 1967 as a result of the internal political developments, namely the Indonesian Coup of 1965. As demonstrated in the paper, the Western powers and especially the US played a significant role in influencing the domestic political changes in


Indonesia. The path chosen by the Indonesian government was to foster foreign diplomatic relations with Malaysia. Also, the United States’ involvement in Indonesia can be seen as a part of their strategy in containing communism in South-East Asian region.

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