The Dynamics of Indonesia-Malaysia Bilateral Relations Since Independence: Its Impact on Bilateral and Regional Stability

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Asian Conference on Asian Studies 2015
Official Conference Proceeding

Abstract
The bilateral relations between Indonesia-Malaysia since the independence of Indonesia can be categorized in three phases. The first is the phase of Soekarno as the first president of Indonesia where his foreign policy towards Malaysia was to confront Malaysia due to his ideology of anti-imperialism and anti-colonialism. Soekarno emerged as the trigger factor of the neo-colonialism in Southeast Asian nations as Malaysia was perceived to be the puppet of the British government to arouse interest in Southeast Asia. Hence, Soekarno created Ganyang Malaysia foreign policy or “Crush Malaysia”. The second phase, under President Soeharto, included harmony and full of cooperation between Indonesia and Malaysia. Soeharto normalised the bilateral relations with Malaysia since he considered Malaysia to be an important ally in cooperating with the western countries such as Great Britain, Australia and the United States. As a result, Indonesia and Malaysia along with Thailand, Philippines and Singapore created the regional organization called ASEAN. The third phase, the phase after the Soeharto era and the reformation era has been quite complicated. The disputes of borders and cultures became the major consent of Indonesian government
A. Introduction

Historically Indonesia, Malaysia, Singapore, and South Thailand were under Majapahit Empire between 1293 – 1500. Majapahit Empire was claimed as the last Hindu-Buddha empires and it had been known as the most powerful and the greatest empire in the history of Southeast Asia as well as Indonesia which became the precedent for Indonesian modern boundaries. It is therefore not surprising as to why Indonesia, Malaysia, Singapore and South Thailand have a lot of things in common in terms of cultures due to the influences of the Majapahit Empire.

As a result of colonialism in Southeast Asia it split up the boundaries between Indonesia and Malaysia in which the Dutch had dealt with the Britain to do so. Hence, Indonesia and Malaysia are neighbouring countries in Southeast Asia that experienced European colonialism for centuries. At the beginning of the sixteenth century, the Europeans first came to Southeast Asia for trade and hoped to spread Christianity in the region. The history of Southeast Asia has been characterized as an interaction between regional and foreign powers because most of the countries were colonialized except Thailand. The Dutch colonised Indonesia for about 450 years. The Dutch first came to Indonesia in early 1602 as VOC (Verenigde Oostindische Compagnie) or Netherlands’ United East India Company monopolized the trade against other European countries and indirectly colonized the Indonesian archipelago by exploiting the colony, its natural resources, and turned Indonesian workers into forced labour or slaves in order to ensure high profits.

In this paper, I intend to analyze the bilateral relations between Indonesia and Malaysia before and after 1965. The turning point was 1965 because the period before 1965 when Indonesia obtained independence from the Dutch in 1945 and Malaysia achieved independence from Britain in 1957 was characterized by conflict and hostilities. On the other hand, the period between 1965-1997 was characterised by peace and cooperation. Meanwhile, the period from 1998-present has been blighted by cultural and territorial disputes

Neo-liberal international relations scholars regularly employ game theory to explain why states do or do not cooperate. Since their approach tends to emphasize the possibility of mutual wins, neo-liberalists are interested in institutions, which can arrange jointly profitable arrangements and compromises. According to Hollis and Smith, one of the basic statements of the realist approach to international relations is that nation-states are motivated only by their own self-interests. This school of thought highlights that nation-states consider the needs and interests of other nation-states only when the other nation-states have the ability to enforce their demands by threatening or performing damaging actions. This means that nation-states are not

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6 Hollis, Martin and Smith, Steve (1990) "Explaining and Understanding International Relations",
guided by ethical or humanitarian deliberations, and that international law and even treaties and similar validated agreements do not really restrict the international behavior of nation-states.

Game Theory discovers the nation-states as the closest real-life examples of its abstract constructs. This is true regardless of whether they are interacting with respect to security or economic issues. The interpretations above indicate that nation-states take into consideration the needs and interests of other nation-states only when these other nation-states are able, (i.e.) have the power to threaten or perform damaging actions, showing that the determinants of the power of the different nation-states must be one of the main concerns of the theory of international relations.  


The confrontation foreign policy toward Malaysia by Soekarno was an undeclared war with most of the action occurring in the border area between Indonesia and East Malaysia on the island of Borneo (known as Kalimantan in Indonesia). The conflict was considered by self-possessed and isolated ground combat, set within tactics of low-level brinkmanship which means that the action that done by Soekarno at that time was not based on the state interest, but only based on his own belief and ideas. Hence, Indonesia's campaign of infiltration into Borneo sought to exploit the ethnic and religious diversity in Sabah and Sarawak compared to that of Malaya and Singapore, with the intent of unravelling the proposed state of Malaysia.  

Malaysia achieved its independence on August 31, 1957 from British colonial rule. Soekarno believed that the Federation of Malaysia was a new form of neo-colonialism, because it would become the way for the British to control and maintain its political and economic power in the Southeast Asian region after the end of World War II. As the first president of Indonesia who had struggled for independence from The Dutch colonial rule, Soekarno wished for the idea of “pure independence” which meant that the independence of the state should be without interference from external powers in internal and external policy of a state when a state gained independence from European colonial masters. Therefore, Malaysia would become the puppet of the British to spread its imperialism within Southeast Asian nations.

Soekarno’s confrontation policy towards Malaysian Federation did not only involve Malaysia, but also Great Britain and the US. According to Soekarno, US and Great Britain had economic, political and strategic interests in the Malaysian region. Indonesia too was an important country in the region and US needed to consider Indonesia in achieving stability in the region. Meanwhile, Soekarno’s Indonesia in

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7 Correa, H. (2001). Game Theory as an Instrument for the Analyses of International Relations. p.4
10 Ibid
11 Op-cit (Soleman, M)
the early 1960s had close relations with Soviet Union, China and other communist countries. The structure of international politics in the 1960s offered advantages to Indonesia who had close relations with China. We could see that China and Soviet Union gave their support to Indonesia in the Indonesia-Malaysia conflict based on the ideological and East-West rivalry in the bipolar world structure. With strong support from China and Soviet Union, Soekarno launched the confrontation policy towards Malaysia in September 1963. The Soekarno government’s administration was basically influenced by the internal situation and political structure where Soekarno directly launched the confrontation policy towards Malaysia in 1963.

Soekarno’s Game

Soekarno categorized that Malaysia was part of the European imperialism under British government. Hence, the formulation of the “Gayang Malaysia” or Anti-Malaysia foreign policy in Soekarno era was Soekarno’s game in achieving his interest and his ideology to make Indonesia’s independence absolutely free from western countries. Soekarno’s realist point of view in looking at the state level of international relations was very interesting on how in the Cold War era, where US and Soviet Union were different blocks and waged a war towards ideology between communism and liberalism.

Soekarno opposed the merger of the Federation of Malaya (Federation of Malaya), Singapore, Brunei, Sarawak, Sabah and Malaysia into one. Consolidation of Malaysia which had the approval of the United Kingdom made it resentful and brought Indonesia-Malaysia confrontation in the period between 1962-1966. So the confrontation was a war about the future of Malaya, Brunei, Sabah and Sarawak. Soekarno considered the formation of the Federation of Malaysia (now Malaysia) not matching the Manila Treaty which was signed on 31 July 1963 by the Federation of Malaya, Indonesia and the Philippines. In the agreement, the three countries agreed to urge the people of Sabah and Sarawak to self-determination through free election without coercion.

Furthermore, the Federation of Malaysia according to Soekarno was a British puppet. It saw it as a new style of colonialism and imperialism potential to disturb the peace of Indonesia and could trigger a rebellion in Indonesia.

Kusumadewi (2014)
July 1964, Soekarno announced action Crush Malaysia or “Ganyang Malaysia”. The following month, Malaysian soldiers were dealing with Indonesian guerrillas, thereby raising tensions in the Strait of Malacca. The battle occurred along the Kalimantan border. In Jakarta, the British embassy was burned and people occupied the Singapore embassy. In Malaysia, Indonesian agents were captured and Indonesian embassies attacked. Those conditions further deteriorated the bilateral relations between Malaysia and Indonesia. Moreover, the regional stability within Southeast Asian Nations was also becoming unstable because of this condition. The US, Great Britain, and its allies easily came to Southeast Asia as supporter of Malaysia.

C. Indonesia-Malaysia Relations under President Soeharto (1966-1971)

Soeharto’s step when determining the foreign policy of Indonesia begins with the decision to resolve the problem of Indonesia-Malaysia confrontation that had been going on in the mid-1960s during the reign of Soekarno. Soeharto’s steps to normalize relations with Malaysia were part of the resolution in the country after the events of 30th September movement/PKI when the military coup occurred with Soekarno still as president of Indonesia at that time. The policy of confrontation undertaken by Soekarno in the view of Soeharto was merely a tactic to involve Indonesian Communist Party into confrontation as much as possible so that communist party would be able to gather strength that could eventually rebel and hold power. Relations between Indonesia and Malaysia in July 1966 showed that there was progress referred to normalization. As presented by Ali Murtopo (prominent Indonesian general and political figure) that the normalization relation between Malaysia and Singapore was the only remaining technical issue which was hoped to be better soon. The process of normalization between Indonesia and Malaysia was only a matter of time. Normalization process accelerated after successfully forming Ampera Cabinet on 25th July 1966. After Ampera Cabinet was formed, the solution regarding confrontation was a priority for Indonesia. The problem enabled Malaysia to be cleared before 17th August1966; it was as presented in the conference of Ampera Cabinet.

With the peace treaty with Malaysia was strived to be signed at the end of August, as planned, the normalization of Indonesia and Malaysia was realized on 11 August 1966, in Jakarta between Adam Malik and Tun Abdul Razak called as Jakarta Accord. The agreement contained the normalization of understanding between Indonesia and Malaysia. The Malaysian Government grant provided Indonesian general elections to reaffirm the desire of the people of Sabah and Sarawak. Government of Indonesia, Malaysia willing to acknowledge and accept and cooperate. While the Indonesian diplomatic relations did not immediately recover. But the office - no official

20 Ibid Kusumadewi (2014)
23 Ibid
24 Ibid
diplomatic office in both countries had been opened. Indonesia’s diplomatic relations - Malaysia fully restored in August 1967 after a general election in Sabah and Sarawak. By doing so, ended the tension that had developed between Indonesia and Malaysia for 3 years.

The relations between Indonesia and Malaysia were officially restored on August 31, 1967; the next step undertaken by Soeharto was rejoining the United Nations on 28 September 1966 after previously withdrawing Indonesia’s membership on December 31, 1964. Independent and active foreign policy was a general principle of Indonesian foreign policy taken by Soeharto who led Indonesia for over 32 years since the end of the 1960s until the eve of the millennium or the late 1990s. Therefore, from Soeharto’s foreign policy took a consideration to make good bilateral relations with Malaysia as he did believe that it would become the way to improve the relations with other western countries. Game theory in international relations helps us to understand why the state was choosing to cooperate rather than confront based on the state’s interest of what they are going to achieve while making the decision. Soeharto’s main agenda was to clear to regain international trust and the western countries in order to help Indonesia’s development which is absolutely opposite to what Soekarno did in the first place.

Under President Soeharto, Indonesia was also respected by Malaysia. Even in ASEAN, Indonesia is known as 'The Big Brother' or respected elder brother. The relationship of President Soeharto and Malaysian Prime Minister Tun Mahathir bin Mohamad was also good. Mahathir also highly respected President Soeharto. Mahathir mentioned that Soeharto was a president of a great country, but he never forgot that between the two countries are allie nation that does not want hostile. It made the bilateral relations between Indonesia-Malaysia even better and strengthened the regional stability by creating the regional organization called Association of Southeast Asian Nations (ASEAN)

The end of the Indonesia-Malaysia confrontation has opened a new chapter in the history of Southeast Asia. Before the end of the formal confrontation, governments in Bangkok, Manila and Kuala Lumpur have shown their desire to revive the idea of regional cooperation and is bearing fruit with the implementation of a meeting of foreign ministers of Southeast Asia in July 1966. Regionalism has been the subject during informal bilateral talks between Indonesia and Malaysia long before the first initiative that determined the dismissal of Soekarno. It is also on the agenda of formal talks between Adam Malik and Tun Razak in Bangkok at the end of May 1966.

Towards the establishment of ASEAN, the world situation was characterized by competition between the Western bloc led by the United States and the Eastern Bloc

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25 Ibid
26 Op-cit
27 Ibid
led by the Soviet Union (now Russia). Both blocks were scrambling for power and influence in each region, including in Southeast Asia. Conditions of Southeast Asia prior to the formation of ASEAN were characterized by conflict and struggle for influence of the West and East Block.

Soeharto’s Game

According to Soeharto, when the problem of Malaysia is complete, the state-Southeast Asian countries need to move in the direction of the activities in the field of foreign policy in close cooperation based on mutually favourable situation among Southeast Asian countries. The nations of Southeast Asia Maphilindo (Malaysia Philippines and Indonesia) can revive a broader scope for Southeast Asia which reaches cooperation in various fields, especially fields of economics, engineering and culture. If Southeast Asia can be established, then the rest of the world could be as well. This will be able to deal with external influences and intervention from any angle, as well as the arrival of both its economic and military physical intervention. An Asian Southeast cooperate, a united Southeast Asia, is a fortress and most solid foundation in the face of imperialism and colonialism in any form and from any angle advent. Soeharto’s idea about the Southeast Asian region is still like the view long held by the armed forces, which was about the relationship between management countries in Southeast Asia as well as the major role played by Indonesia in creating an orderly area. Indeed the view articulated in the month of August 1966 has been maintained for a long time without fundamental changes.

Including the field of foreign policy in the new order of government was used as an instrument to achieve its national interests. The important and priority in foreign policy is the development and stability of the country. It becomes a guide in foreign policy and became the antithesis of the new order comparing the foreign policy of Soekarno. The old order or the period of guided democracy in Sokerano era made its foreign policy as a tool for leaning to the east block. This was later changed by the new order, one of them broke off diplomatic relations with the People's Republic of China (PRC). Although in 1990, Indonesia re-opened relations with economic reasons because Soeharto believed that economic development needed to be enhanced first in order to be a great country.

In terms of the economy and relations with the western New Order, the government also repaired the relationship. This was directly related to the economy and development of the government's new order. New Order government requires a lot of funds to carry out development. To that end, the government held a meeting with donor countries to discuss the existence of the debt for construction. These countries in 1967 formed a forum called the Inter - governmental Group On Indonesia (IGGI). Moreover, the government makes laws that facilitate the investment of foreign investment into the country.

33 Ibid
Therefore, we can conclude that Soeharto’s administration included fixing a revolutionary foreign policy and becoming more friendly and active in the international world. The first thing to do was to fix and normalize diplomatic relations with Malaysia because Soeharto believed that Malaysia could become the great partner in terms of economic development in creating good images in international affairs and would be able to invite foreign direct investment to come to Indonesia and develop the Indonesian economy\textsuperscript{34}. It was done by the Soeharto government and it was the era of the establishment of regional organizations in Southeast Asia. It is intended to maintain the stability of the region and become a place of cooperation between the countries of Southeast Asia. Indonesia became one of the founders of the Regional Organization of Southeast Asia (ASEAN) from five countries who co-founded in Bangkok in 1967.

**D. Indonesia-Malaysia Bilateral Relations after Democratization (1998-present)**

The financial crisis of Asia in the year 1997 led to the emergence of reformasi (reformation) to change into an independent state. This was the time when there e was high price shoot-ups in the prices of essential commodities in the country. After this, there were a number of social movements as well as demonstrations. The many struggles of the government to solve the issue could no longer bear fruits. Here, there was increased pressure between the security forces and the people who demonstrated\textsuperscript{35}. The political reaction from Soeharto was sluggish. There was increased violence in the country because the security armed forces began to deal directly with the people who demonstrated. Due to this, the level of violence in Indonesia began to increase in the country.

The relationship between Indonesia and Malaysia was complicated and hard to manage. This is especially when Soeharto stepped down because of the increasing social turbulence after the year 1998. This conflicting condition in the country was caused by the democratization pattern that existed in the two states. The relationship between Indonesia and Malaysia has been improved by some international factors and determinants such as NGOs, migrant labor, Anwar Ibrahim factor and mass media. Anwar was the Malaysian Prime Minister and had fine association with Soeharto and this helped to mend the differences between the two countries. These variables have played a crucial role in mending broken relationships between countries. Such variables symbolize the dynamics of people-to-people aspect in bilateral binding. In this case, the weakening of the relations between people calls for changes in the diplomacy between governments. On the other hand, bilateral relations may greatly face the challenge of relentless disagreements. This happens when the official diplomacy is incapable of reflecting accurate popular responses. The present relations developments between Indonesia and Malaysia have been influenced by the government and non-government actors.

\textsuperscript{34} Op-cit
\textsuperscript{35} Ibid
Border and Cultural Disputes between Indonesia and Malaysia in the Post-Soeharto Era

The issue of Sipadan and Ligitan was reported at the International Court of Justice in the year 1998\(^\text{36}\). In the year 2002 the month of December, the International Court of Justice issued a decision on the conflict over power between the two countries that is Indonesia and Malaysia. Through the votes on the board, the Malaysian country won the case by a sixteen judges over a total of seventeen judges. Only one judge supported the Indonesia.

Out of them, only fifteen were set from International Court of Justice judge. At the same time a judge was selected by Indonesia and Malaysia to and as an alternative option. In this case, the country of Malaysia won the case because the judges considered the issue of effectiveness. They did not consider the crimes committed by Malaysia which is the colonial government. On the other hand, the tourism sector in Malaysia was not considered and a rejection based on the chain of title (possession chain from the Sultan of Sulu) was unsuccessful in highlighting the confines of the sea border between Indonesia and Malaysia and in the Straits of Makassar.\(^\text{37}\) The citizens of Indonesian were not happy about this condition as they were well informed about it. Thos also worsened the people-to-people level relationship between the two countries.

The dispute of Discovery Channel that took place in August 2009 put together a series of documentaries selected “Enigmatic Malaysia”. This underlined the Malaysian cultural customs. The 30-second promotional piece showed the characteristics of the “Pendet” which is the Balinese dance\(^\text{38}\). This dance was presented by two dancers from Balinese and the dance originated from Indonesia. Indonesia, through its media saw this as one of the ways in which Malaysia was stealing from the culture of Malaysia.\(^\text{39}\)

Currently, the two countries have differences in the ownership of angklung\(^\text{40}\) which is the bamboo percussion pipe. The conflict over the pendet controversy has cause serious emotional reactions from the Indonesia. In the online networks, Malaysia has been termed as a state of thieves\(^\text{41}\). Funnily, Malaysia has been branded as “Maling (thieving)-sia”\(^\text{42}\). Over a hundred official governmental websites were defaced hacked and replaced in the 31 August 2009 which is Malaysia’s Independence Day. These websites were replaced by the slogans that belonged to Indonesia.


\(^\text{40}\) Op-cit Marks (2009)


\(^\text{42}\) See for example http://www.malingsia.com
The vigilante’s gangs terminated the anti-Malaysian temper\textsuperscript{43}. The army was carrying weapons of bamboo spears to the Jakarta streets in early September, looting Malaysian people.

The leaders of the two countries have urged their citizens to become peaceful and calm. Despite this, there is rise in the level of disagreements between the two nations\textsuperscript{44}. This shows that the various ways in which the rising emotional reactions connect to apparently undisruptive cultural arguments could lead to unmanageable ending. The ever increasing cultural conflicts between Indonesia and Malaysia should be clearly examined to establish its core causes\textsuperscript{45}. A number of nations in the regions of Southeast Asia share common cultural heritage and depend on these heritage fundamentals for diverse economical, socio-political as well as development plans. There is need to determine the causes of heritage conflicts and other disagreements related to cultural icons. The bilateral relations between the two countries were worsened by the rising disputes between them.

The political change in Southeast Asia was not caused only by resignation of Soeharto in Indonesia and the reformasi. Other factors such as “silent problems” amongst ASEAN nations and financial crisis played crucial role in political transformations in Indonesia. On the other hand, the conflict in the foreign relations between Indonesia and Malaysia has been greatly affected Soeharto’s fall and reformasi in various sectors such as mass media liberalization.

In 2009, the Indonesian government decided not to stake asserts on communal artistic icons. This was when the president of Indonesia was SusiloBambangYudhoyono. According to Hasan Wirajuda, Foreign Minister of Indonesia, it was it was only normal for the two states to share the matching history and customs\textsuperscript{46}. The implementation of the ASEAN community and the incorporation of ASEAN associate countries led to the game played by the two nations. The main objective of ASEAN community is to incorporate the member countries in facing the expansion of global constellation in terms of politics, economy, security ideology and socio-cultural\textsuperscript{47}. Due to this belief and conformity amongst ASEAN member countries, Indonesia props up the teamwork amid ASEAN member states for common vision, common identity and common community. Consequently, by this standard, both Indonesia and Malaysia decided to shun all disagreements since as components of the ASEAN member states the two countries have important influences in developing the local organization.

\textsuperscript{43} Op-cit Croissant, A & Trinn C (2009)
E. Conclusion

Between 1961 and 1965, the bilateral relationship between Indonesia and Malaysia during the Soeharto era was characterized by factors like confrontation, aggressions and conflict. The confrontation policy of Soeharto did not only affect Malaysia but also other countries like the US and the Great Britain. Soeharto argues that Great Britain and United States had political, strategic and economic interests in the region of Malaysian. In 1963, the confrontation policy was directly launched by Soekarno. Great moral and emotional support to the Soekarno rule was provided by successful culmination of West Irian matters in 1962. The territory of Indonesia was would be increased by the government in the Malaysia after settling the West Irian. This is because Indonesia had been economically strained by the West Irian campaign. The “Crush” which is the Malaysian campaign helped President Soekarno to deal with the domestic problems that were facing the society. This created a national problem in the country. Moreover, Soekarno could promise the community that the issues facing the social and economic sectors of Indonesia could be solved when the issues facing Malaysia would be solved.

In August 31, 1967, the relationship between Malaysia and Indonesia was reinstated officially. The main aim of Soeharto was to reinstate the international trust between them and the western countries. This was to assist in the development of Indonesia which completely conflicting to what Soekarno did in his regime. Soeharto had a different view of international relations which was more liberal as compared to the Indonesian first President. According to Soeharto, it is very important to have many international friends than enemies. The resignation of Soeharto and the reformasi wave in Indonesia were among other factors that brought about political transformation in Southeast Asia. After several challenges, the Indonesian government under President Susilo Bambang Yudhoyono in 2009 came to an agreement not to risk claims on collective cultural icon and to value the sensitivity of the public to the issue with Malaysia.
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