The war nobody declared

Konfrontasi, the Bangkok Accord and the founding of ASEAN, 1963-1967

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ABSTRACT

In January 1963 Indonesia declared "confrontation" against a Malaysia that did not yet exist; three years later the two countries signed a three-article accord in Jakarta, and eleven months after that they founded ASEAN together with three neighbours. The war - infiltrations across Borneo and the Malacca Strait, 114 Commonwealth soldiers killed, a burned embassy, and Indonesia's walkout from the United Nations in January 1965 - ended not with victory but with a change of regime in Jakarta and a face-saving text: Sabah and Sarawak would "reaffirm" a decision nobody intended to reverse. And the peace held. The club it produced counts eleven members; members have exchanged fire, but never a full-scale internal war, and trade integration has barely deepened since 2003. This case study examines how the Bangkok Accord ended Southeast Asia's undeclared war, what ASEAN actually delivered, and what SAARC's members, Sri Lanka among them, might conditionally borrow.

WHY THIS CASE FOR SRI LANKA

Sri Lanka is a founding member of SAARC, established in Dhaka in December 1985 - a regional club that has spent four decades promising cooperation and delivering summits. Southeast Asia had the same starting condition: two large neighbours with a live territorial grievance, an outside power's bases in the middle, and one capital using confrontation as domestic politics. Within four years of burning the British embassy in Jakarta, Indonesia and Malaysia were co-signing a regional association in Bangkok. The interesting question is not why ASEAN became the European Union - it did not; intra-ASEAN trade was a smaller share of total trade in 2023 than in 2003. The question is how adversaries converted a shooting conflict into a durable institution, cheaply and quickly. That is the part of the record South Asia has not managed, and the part worth reading closely.

THE STARTING POINT: A FEDERATION AND A CONFRONTATION

The Malaysia plan - folding Malaya, Singapore, Sabah and Sarawak into one federation - collided with Sukarno's Indonesia, which read it as a British project to keep bases and encircle the archipelago. After the Brunei revolt of December 1962, Foreign Minister Subandrio declared Konfrontasi on 20 January 1963; the first recorded infiltration hit a Sarawak police station that April. Diplomacy tried first: the Manila summit of July-August 1963 produced the Manila Accord and the MAPHILINDO idea, with Indonesia and the Philippines accepting Malaysia if a United Nations mission confirmed Borneo's wishes. The mission found on 14 September 1963 that the federation reflected the "freely expressed wishes" of the territories. Malaysia was proclaimed two days later, on 16 September, before Jakarta could absorb the report. The Malaysian ambassador was expelled; two days after that, PKI-organised rioters burned the British embassy in Jakarta.

What followed was a real war without a declaration. Indonesian volunteers and then regular forces infiltrated Sarawak and Sabah; in August-September 1964 the war jumped to the peninsula itself - a seaborne landing at Pontian, and ninety-six paratroopers dropped near Labis, of whom about ninety were killed or captured within a month. Britain, Australia and New Zealand defended Malaysia, including through Operation Claret, secret cross-border raids kept deniable for years. Total Commonwealth military deaths over the three-year conflict were 114, including 22 Australians. In January 1965, when Malaysia took a UN Security Council seat, Indonesia walked out of the United Nations - the only member ever to do so. Singapore's separation from Malaysia in August 1965 showed how brittle the federation itself was.

THE DECISIONS: THREE ARTICLES AND A FUDGE

The war ended after Jakarta changed - the timing, more than the text, marks the regime shift as the settlement's hinge. After the 30 September 1965 movement, General Suharto consolidated power; in March 1966 Sukarno signed the Supersemar order transferring effective authority to him. Negotiations that had failed in Bangkok and Tokyo in 1964 now moved fast: in late May 1966, Malaysia's Deputy Prime Minister Tun Abdul Razak and Indonesia's new Foreign Minister Adam Malik settled terms in Bangkok, hosted by Thailand. The Bangkok Accord, signed in Jakarta on 11 August 1966, is three articles long. Article One: Malaysia agrees that Sabah and Sarawak will reaffirm, "in a free and democratic manner as soon as practicable through general elections", their previous decision to join Malaysia. Article Two: the two countries resume diplomatic relations. Article Three: "hostile acts between the two countries shall cease forthwith."

The accord's core was a face-saving device everyone understood. Nobody intended Sabah or Sarawak to vote Malaysia out; Article One existed so Jakarta could claim the principle of ascertainment without scheduling a plebiscite it might lose. The Americans noted dryly that Indonesia's interest in dismembering Malaysia "remains active" even at signing. Sukarno himself refused to sign, and Suharto worked around him with an exchange of secret letters delaying full diplomatic relations until the reaffirmation had nominally occurred. Indonesia ratified the normalization on 27 October 1966. The elections fudge was quietly absorbed by time rather than executed - which is precisely the point: the text gave both capitals a bridge, and both walked over it.

THE MACHINERY: WHY THIS PEACE COULD BE SIGNED

Four machines turned a three-article text into a durable settlement. First, regime change as the actual concession: Suharto needed to end the confrontation because Indonesia was broke - the Jakarta price index rose over 1,500 percent in the twelve months to June 1966 - and the generals wanted Western credit and a stabilization program, launched in October 1966. Peace with Malaysia was part of the price of admission back into the world economy; Indonesia formally resumed UN membership on 28 September 1966. Second, a neutral host with standing: Thailand offered Bangkok as venue and Thai officers as witnesses, giving both sides a room neither owned. Third, military patience: Commonwealth forces, including clandestine Claret operations, held the line for three years without escalating into the open war that would have made compromise impossible - restraint as an enabling condition of diplomacy.

Fourth, institution-building as the follow-through rather than the goal. On 8 August 1967, eleven months after the accord, the foreign ministers of Indonesia, Malaysia, the Philippines, Singapore and Thailand signed the ASEAN Declaration in Bangkok - barely two pages, declaring an association for economic and cultural cooperation, no supranational powers, no enforcement. The same men who had negotiated the end of the war - Malik and Razak - signed it. The club's founding document was deliberately modest: it institutionalized the habit of meeting, not the obligation to agree. That modesty was the design.

MEASURED OUTCOMES I: THE PEACE

The direct outcomes were fast and measurable. Hostile acts stopped with the signature; the infiltration war did not resume. Indonesia recognized Malaysia, ratified normalization by law in October 1966, and rejoined the United Nations that September. The two countries have not fought since. The human ledger of the war itself stayed bounded - 114 Commonwealth military deaths over three and a half years, against the hundreds of thousands killed inside Indonesia in the 1965-66 massacres that accompanied the same regime change - a juxtaposition the case does not let the diplomacy obscure.

The economic half of the peace dividend is documented with unusual precision by the IMF: Indonesia's inflation fell from 639 percent in 1966 to 113 percent in 1967, 85 percent in 1968 and 10 percent in 1969, under the stabilization program the peace made politically possible. Ending the confrontation did not cause that disinflation alone - fiscal closure and Western credits did the daily work - but the war's end was the enabling condition: an Indonesia still fighting Malaysia in 1967 would not have had the donors, the credit or the attention to stabilize. Peace was the gate through which every other policy had to pass.

MEASURED OUTCOMES II: THE CLUB

ASEAN's six-decade record is real and narrower than its reputation. On the security ledger: no full-scale war between members since 1967 - though Thailand and Cambodia, both members, exchanged artillery fire over Preah Vihear in 2008-2011, and fought a five-day border conflict in July 2025 that killed at least 43 and displaced over 300,000 before a ceasefire brokered in Putrajaya on 28 July 2025 under Malaysia's ASEAN chairmanship, breaches the institution managed more than prevented. The club absorbed every mainland Southeast Asian state - Brunei in 1984, Vietnam in 1995, Laos and Myanmar in 1997, Cambodia in 1999 - and admitted Timor-Leste on 26 October 2025 at the 47th ASEAN Summit in Kuala Lumpur: eleven members, including former enemies of the founding five. Its normative output (the 1971 Zone of Peace declaration, the 1976 Treaty of Amity and Cooperation) now shapes regional architecture far beyond its membership.

On the economic ledger the numbers are deliberately sobering. ASEAN's total goods trade grew from USD 871.8 billion in 2003 to USD 3,560.1 billion in 2023, but intra-ASEAN trade slipped from about 25 percent to about 22 percent of the total - the members trade with the world more than with each other, and the share has not deepened in two decades. The institution's achievement is the thing that did not happen - no repeat of Konfrontasi, no arms race between the founders - and that achievement is invisible in trade statistics. Anyone selling ASEAN as an integration success is reading the wrong ledger; anyone dismissing it as a talking shop is missing the war that stopped.

TRANSFER LIMITS: WHAT THE BANGKOK ACCORD DOES NOT PROVE

First, the peace rode a regime change it did not produce. Diplomacy between the same two governments had failed repeatedly in 1964; it worked in 1966 because Jakarta's rulers changed, and replicating the text without the politics is cargo-cult statecraft. Second, the face-saving fudge only worked because the underlying fact was settled: the UN had already certified Borneo's wishes in 1963, so Article One's "reaffirmation" risked nothing. Where the underlying dispute is genuinely open, a paper fudge can be a time bomb instead of a bridge. Third, the settlement was underwritten by outsiders: Commonwealth arms held Malaysia together for three years, and Western credit paid for Suharto's peace. The accord was cheap to sign partly because others had borne the cost of the war.

Fourth, the institutional sequel has real ceilings: ASEAN's consensus rule preserved the club by exempting members from obedience, which is also why it could not prevent Preah Vihear or move on Myanmar. Fifth, the sources are period documents with agendas: the FRUS assessment is an American memo, the "114 killed" is a Commonwealth count that does not tally Indonesian dead (reliably recorded figures for the Indonesian side are not in these sources), and Indonesian official histories frame the whole episode differently. The case uses only dated, attributed claims for exactly that reason.

CONDITIONAL LESSONS FOR SRI LANKA

These are design observations, not prescriptions.

1. Stop the shooting first, write the constitution later. The Bangkok Accord had three articles and no architecture; ASEAN came eleven months afterward. South Asia's tendency to negotiate everything at once is a choice, not a law of nature.

2. Build the bridge out of fudge, but only over settled ground. Article One worked because the UN had already settled the facts in 1963. Face-saving language can close a war over a resolved dispute; over an unresolved one it stores up the next crisis.

3. The venue is a participant. Bangkok worked because Thailand owned neither the grievance nor the bases. SAARC's habit of meeting in member capitals owned by the quarrel's parties is a design flaw with a fix.

4. Do not price the institution by its trade share. ASEAN's intra-trade share fell from 25 percent (2003) to 22 percent (2023) while its members stopped fighting; SAARC's value, if it has one, will show up the same way - in the war that does not happen.

5. Peace is the gate, not the garden. Indonesia's stabilization (639 percent inflation in 1966 to 10 percent in 1969) was possible only after the confrontation ended. Sri Lanka's own post-2022 recovery debates would recognize the sequence: external de-escalation buys the political room for domestic repair.

Sri Lanka helped found SAARC in 1985 and has watched it underperform for four decades. The Southeast Asian record does not say South Asia can simply copy ASEAN; it says the conversion of adversaries into institution-mates has been done, at low cost, quickly - and that the active ingredients were regime incentives, a neutral room, a small text and the patience to let a fudge do its work.

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