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Cosmopolitan Palembang: Palembang's Interconnection and Global Trade in 1900-1930

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Abstract: The interconnection and global trade developing interrelated regional linkages is an important phenomenon for modern developments, interestingly emphasizing historical context. This aligns with the historical context of Palembang, a region with long-establishing international relations and is considered a cosmopolitan city with global-scale connections toward the 20th century. Therefore, this study aimed to evaluate Palembang's interconnection and global trade from 1900-1930, mainly emphasizing the exploration of worldwide networks and the transformation of the region as a cosmopolitan city. The analysis used a historical method with four stages: heuristics, verification, interpretation, and historiography. The results showed that Palembang experienced rapid progress after its export commodities, such as coffee, rubber, wood, tea, oil, coal, etc., were extensively traded in the world market. European investors and multinational companies, including Handelsvereening Amsterdam, Cultuurmaatschappij Indragiri, Straits & Sunda Syndicate, etc., were also competing to open and expand their business in the city. This economic progress triggered the transformation of Palembang into a cosmopolitan city, promoting the impact of social change in the environment.

Abstrak: Interkoneksi dan perdagangan global yang menimbulkan keterkaitan wilayah satu sama lain menjadi fenomena penting bagi perkembangan dunia saat ini. Tentu sangat menarik apabila interkoneksi dan perdagangan global dilihat dari konteks kesejarahan. Salah satu wilayah yang telah lama menjalin hubungan internasional adalah Palembang. Menjelang abad 20, Palembang hadir sebagai kota kosmopolitan dengan koneksi berskala global. Artikel ini membahas tentang interkoneksi dan perdagangan global Palembang tahun 1900-1930. Fokus utamanya adalah menelusuri jaringan perdagangan global serta transformasi Palembang sebagai kota kosmopolitan. Artikel ini bertujuan untuk menjelaskan jaringan perdagangan global dan transformasi kota kosmopolitan di Palembang. Metode yang digunakan adalah sejarah dengan empat tahapan: heuristik, verifikasi, interpretasi, dan historiografi. Hasil penelitian menunjukkan bahwa Palembang telah mengalami kemajuan pesat sejak komoditas ekspornya seperti kopi, karet, kayu, teh, minyak, batubara, dan lain-lain sangat laku di pasar dunia. Investor Eropa, dan perusahaan multinasional seperti Handelsvereening Amsterdam, Cultuurmaatschappij Indragiri, Straits & Sunda Syndicate, dan lain-lain berlomba-lomba membuka, dan memperluas lahan bisnisnya di daerah ini. Kemajuan ekonomi ini memicu transformasi Palembang menjadi kota kosmopolitan. Serta membawa dampak perubahan sosial dalam masyarakat Palembang.

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INTRODUCTION

Various colonial literature is often responsible for providing distinctive nicknames to describe Palembang City, such as *Venetie van Indie* (Venice of the Indies), *Venetie van Oost* (Venice of the East), *de Oosterch Venetie* (East Venice), waterfront (City of Water), and *de Indisch Veneti* (Venice of the Indies) (Melisa, 2012). These nicknames symbolize the city's physical depiction and the socio-cultural conditions of the people, intertwined with the context of the waters. In Palembang, residents also participate in economic, social, and cultural activities along the river, continuously highlighting the city's role as a hub of power, civilization, and trade. Besides the Europeans recognizing the facilities of the metropolis, the strategic location connecting local and global spheres is subsequently prioritized, emphasizing the "comfortability" in performing diverse activities.

Based on the descriptions above, the geographical location of Palembang is considered the center of a large region in *Uluan* and *Ilihan*. This explains that the city encompasses the territory previously belonging to the Palembang Sultanate and captured by the Dutch in 1825. The capital region is also a lowland region dominated by swamps and rivers, prioritizing a meeting point of various exterior (estuary, namely *Sungsang*) and interior (*Uluan*) interests. Furthermore, *Uluan* constitutes the western region of the capital, characterized by its gradually ascending geographical features, culminating at Bukit Barisan as the highest peak. This region encompasses plateaux, mountains, and highly fertile soil, exhibiting its highly promising potential for agricultural and plantation development (Peeters, 1997). Many tributaries also connect the vast region with its parent Musi River. These tributaries are Batanghari Sembilan, encompassing the Ogan, Lematang, Beliti, Lakitan, Komerang, Rawas, Rupit, Kelingi, and Musi Rivers (Faille, 1971). The rivers are also similar to "highways" for the population, emphasizing their interconnected economic, political, and socio-cultural interconnections (Wargadalem, 2017). Therefore, Palembang automatically plays an important role in externally and internally shaping connectivity, which is useful for economic and trade activities. This is because Palembang is the only largest city in South Sumatra from the Sriwijaya period until now.

The abundant natural wealth in *Uluan* is the consideration of Palembang as a prosperous city. This is because the city serves as a gathering point for various *Uluan* commodities, emphasizing a market for imported products from several global



Figure 1. Palembang Residency in 1922

Source: ANRI-Dinas Topography 1436/81 (Arsip Nasional Republik Indonesia, 2009a)

nations. Despite the challenging low and swampy terrain with daily tidal fluctuations, Palembang is still not automatically infertile (Wargadalem, 2017). This infertility is commonly encompassed by its geographical location, a link between the high seas and inland. In this case, Palembang becomes a gathering point (market) for the export-import commodities that are welcomed by local, regional, and international traders. The city has also continuously become a famous international trading zone since the Sriwijaya Kingdom period. This condition has a special form as a logical consequence of the increasing incessant movement of various global nations to trade and shipping during the 20th Century. It is also supported by the use of the Egypt machines that have become increasingly established since the establishment of the Industrial Revolution (18th-19th centuries). Therefore, the world entered the second stage of rapid development characterized by modernization, with globalization reigning from 1900-1970. At this stage, the archipelago is confronted with modern currents, such as steam engines replacing human power, especially in the textile industry. The same condition is also observed in the transportation technology sector, encompassing land, with the emergence and advancement of railways, highway automobiles, and airplanes.

From the aforementioned descriptions, Palembang also experienced rapid development in the same era, supported by a vast region once belonging to Palembang Sultanate (1677-1825) and occupied by the Dutch to 1942. These observations indicate a prominent development in the global economy and trade, underscoring the popularity of commodities since the royal era, such as tin, pepper,

gambir, etc. Several new commodities were also introduced, such as coffee, tea, cotton, rubber, oil, and coal (Purwanto, 1992). Moreover, the diverse commodities have obtained significant traction in the global market, with Palembang experiencing growth within the Wingewesten region (profit region). These conditions impact various stakeholders including the colonial government, private investors, business actors, local people, and migrant workers (Abubakar et al., 2020). The conditions also served as enticing factors for people from diverse regions and ethnic backgrounds, regarding the settlement and exploitation of their fortunes in Palembang. In 1900, European capitalists started investing in the plantation and mining projects within *Uluan* region. In addition, various people from China, Arabia, India, Japan, and Bumiputra were observed in the participation of economic "bustle" with several professions, such as traders, laborers, contract coolies, etc. These people opened various businesses, including shops, firms, and companies, while being a workforce in factories, mines, and plantations in Palembang region (Zed, 2003).

Several previous studies also emphasized the aforementioned descriptions, ranging from the sultanate period to the permanent Dutch occupation, including (Zed, 2003), (Peeters, 1997), (Abdullah et al., 1984), (Santun, 2010), (Wargadalem, 2017), (Utama, 2017), (Abubakar et al., 2020) and (Supratman, 2022). These analyses prioritized the condition of Palembang political, social, and economic dynamics from the Sultanate to the Dutch colonial periods. In the 20th century, the city also showed very significant developments in various fields, according to its recognition as the *Oedjan Mas* (Golden Rain) region describing the economic surplus derived from the trade of export commodities. Therefore, the significant development of the fields triggered a fundamental change in the local people of Palembang, through indirect transformation into a cosmopolitan region.

Based on the studies above, the development of Palembang was significantly evaluated during the Dutch colonial period, without specifically emphasizing the transformation of a cosmopolitan city and its global trade interconnections. Supratman (2022) also explained the global historical approach as a new theme in writing urban and economic history. Therefore, this study aims to elaborate on the aforementioned analyses by incorporating additional relevant sources. This is initiated through the exploration of global history, avoiding spatial limitations within state and regional administration. The implementation of global history is also com-

monly helpful in determining the connections between Palembang and the interior/exterior world, emphasizing connectivity within the worldwide human community. In this case, the following questions are prioritized, (1) How can Palembang global interconnection and trade be established, (2) How can the region become a transnational country, and (3) Why is Palembang transformed into a cosmopolitan city?

METHOD

This literature study was conducted by using historical methods consisting of four stages, namely heuristic (data collection), source criticism (validation), interpretation, and historiography (Notosusanto, 1978). Primary data were also obtained through archival searches at the ANRI (National Archives of Indonesia), the National Library of Indonesia, Delpher.nl, Archieven.nl, digitalcollections.universiteitleiden.nl, etc. At ANRI, several data were obtained from Palembang and Palembang-Burgemeester (*Bezoldigingstaat*) Bundle numbers 62.2 and 1609, respectively. Furthermore, primary sources were derived from the National Library of Indonesia in different published newspapers, such as *Kemoedi*, *Pertja Selatan*, *Teradjoe*, etc. For digital sources, several acquired materials included the books, archives, articles, and images published in the same era in Delpher, Archieven, and KITLV, such as *Utrechtsch Nieuwsblad* (1929); Wellan, J. (1932). *Zuid-Sumatra: Economich Overzicht van Gewesten Djambi, Palembang, de Lampoengsche Districht en Benkoelen*. Weeningingen: H. Veenman & Zoon; Richter, J.P.F. (1911). *Rapport Nopens den Aanleg van Staatsspoorwegen in Zuid-Sumatra*. Batavia: Landsdrukkerij. Various weaknesses of book data were also confirmed and supplemented by information from newspapers, such as the daily activities, as well as the social and economic structure of Palembang people. This was accompanied by the source validation function, with the use of digital sources very helpful in confirming the problem of place and time due to the completeness of the data owned by virtual archive services. Furthermore, several data were observed from the following historical analyses. Firstly, Tanjung, I. L. (2014) explored the Indonesianization of Modernity Symbols in Plaju (Palembang) during the 1930s–1960s, as presented in the studies by Colmbijn, Freek & Coté, and Joost emphasizing "Cars, Conduits, and Kampongs: The Modernization of the Indonesian City 1920-1960," published by Brill. Secondly, Main, N. J. (2017) explored Trade and Shipping on the Rivers of Palembang Residency from 1900-1930, as

part of a thesis at the University of Indonesia. Thirdly, Wargadalem, F.R., & Utama, N. J. (2017) assessed the *Modernization of Shipping and River Sailing Business in Palembang* between 1860 and 1930, featured in "Advanced Science Letters," Volume 23 (10). Fourthly, Abubakar et al. (2020) explored "Oedjan Mas in Bumi Srivijaya" published by the Bank Indonesia Institute in Jakarta. These references provided valuable insights and were only confined to the analytical scope.

ECONOMIC CONDITION OF PALEMBANG IN 1900-1930

Palembang was considered part of the international trade traffic of the Malacca Strait in the Southeast Asian region due to its categorization under the rule of Palembang Sultanate (17th-19th centuries). This suggested that the interconnection of the region with the outside world originated from mutually beneficial trade relations. Palembang also provided a very popular main export commodity, namely tin. Furthermore, the rich region produced forest products, agriculture, plantations, and mining, including rattan, sap, resin, laka wood, wax, ivory, pepper, gambir, indigo, tobacco, dragon sap, tin, sulfur, gold, etc (Wargadalem, 2017). Foreign traders, specifically those from Europe, China, India, and the Middle East, also provided imported commodities, such as cloth, salt, glassware, silk, gold threads, iron pots, medicines, weapons, etc (Wargadalem, 2009). In line with the aforementioned descriptions, interconnection and global

trade emphasized the consideration of Palembang as a transnational territory similar to other major trading cities, including Malacca, Aceh, and Batavia. This fact was undisputed to the recognition of Palembang as a "*molek giri*" desiring significant attention, leading to the influences of both external (British and Dutch) and internal (Sultan Mahmud Badaruddin II and Sultan Ahmad Najamuddin II) parties. These factors ultimately caused the devastation of the region and its subsequent domination by the Dutch.

Based on the descriptions above, the Dutch colonial administration in Palembang was known as Palembang Residency (Peeters, 1997). This was because the Dutch erroneously believed in their dominion over the entire region after assuming control over the capital (*Uluan-Iliran*). However, persistent resistance originated from *Uluan* people, specifically in the Pasemah (Sindang) region, where valiant disruption was observed to 1866. The Dutch also miscalculated *Uluan* people vehemently opposing foreign imposition and the introduction of unfamiliar taxes during their sovereignty. In this case, *Uluan* people, governed by the "*Sindang Mardika Law*," ensured autonomy under the jurisdiction of Palembang King (Wargadalem, 2017). The colonial government also attempted to approach *Uluan* people through several policies and the same political system observed during Palembang Sultanate. This was conducted to achieve public legitimacy in building a good perception of Palembang colonial rule. Furthermore, the Netherlands believed that regional socio-economic activities were always continuous, and *Uluan* people was capable of being integrated with Palembang Residency government (Abubakar et al., 2020). In this context, political and violent efforts were continuously launched by the colonial government to facilitate authority consolidation and the unification of the administration under the residency of the region (capital and interior). After the conquest of Palembang to the end of the 19th century, the colonial authority also concentrated power in the political, social, and economic fields, to intensify its position in Palembang Residency (Wargadalem, 2017).

In the early 20th century, Palembang subsequently experienced the establishment of colonial political stability, leading to intensified governmental efforts in development. This era witnessed significant socio-economic transformation, which spanned around thirty years. A key factor was also the transition from exporting Sultanate main goods, such as pepper, gambir, and tin, to commercial exports including coffee, cotton, rubber, and oil.

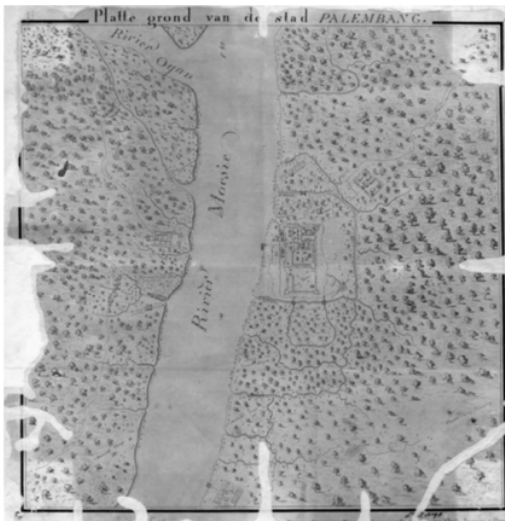


Figure 2. Palembang City Administration Plan 1819
Source: ANRI - De Haan E 38 (Arsip Nasional Republik Indonesia, 2009b)

These changes spurred progressive shifts in the social and economic domains of Palembang Residency (Abubakar et al., 2020). In this case, almost all of the Dutch colonial regional cash income originated from coffee and rubber plantations, which were *prima donnas* in global trade during the era. Both commodities were also highly marketable in the world market in the second and third decades of the 20th century, with the transformation process impacting the improvement of the regional economy and population. Moreover, Palembang was generally considered the *Wingewesten* (profit region), specifically by the colonial government (Putra & Sunarti, 2022). This led to the arrival and thronging of various ethnic immigrants in Palembang and its capital. Most of the immigrants were also European capitalists (investors) desiring to expand their economy through plantation and mining projects (Zed, 2003). Other arrivals subsequently emphasized the Chinese, Japanese, Indians, Arabians, and other archipelagic regions working as traders and job seekers (Zed, 2003).

From the aforementioned descriptions, Palembang transformed with the Gemeente establishment in 1906 (Sujiyati & Ali, 2015). This establishment significantly fortified the position of the colonial government in the capital, enhancing its legitimacy within the country. European capitalists, driven by high morale, also performed extensive economic exploitation through numerous plantation and mining ventures. Furthermore, over 21 coffee plantations were established on *erfpacht* lands (75-year lease/contract lands) in the *Pasemah* plateau. These plantations developed considerably, specifically after the colonial bureaucratic reorganization of 1912-1913, streamlining the *erfpacht* land concession process (Sujiyati & Ali, 2015). Other plantations such as rubber, tea, cotton, etc. also flourished, with mining concurrently acquiring traction, including oil, gas, and coal exploration. These factors collectively bolstered European investment, facilitated by efficient trade administration. The rapid growth also remained persistent, as showed by the private plantations distributed across Palembang Residency region, which increased to 51 in 1916. Several well-known private European companies included the following, (1) *Handelsvereniging Amsterdam* (HVA), which engaged in coffee and rubber plantations within Moesi Oeloe and Tebing Tinggi, (2) *Cultuurmaatschappij Indragiri* emphasized the development of tea and coffee in the *Pasemah* plateau, (3) *Straits & Sunda Syndicate* belonged to a German company prioritizing the cultivation of rubber, oil palm, and coffee in

Moeara Doea, Moeara Beliti, and Tebing Tinggi (Utrechtsch Nieuwsblad, 1927), (4) N.V. *Borneo-Sumatra Handels Maatschappij* was a subsidiary of *Nederlandsche Handel Maatschappij* (NHM), which engaged in rubber trading, and (5) *Handelsvereniging Amsterdam* emphasized oil palm plantations in Muara Enim, Tebenan, and Banyuasin (Zed, 2003).

Several private European companies also engaged in mining, including the *Royal Dutch Shell* (oil) owned and managed by the *Dutch East Indies* and *Nataafsche Petroleum Maatschappij* (BPM) in the Muara Enim, Suban Jeriji, Limau, Karang Ringin, Babat I, Banjarsari, Selaro, Ramok, and Tanjung Luntar regions (Abdullah et al., 1984). This company subsequently managed a coal mine in the Bukit Asam region within Tanjung Enim. *Standart Oil Co.* was also a United States-owned oil company, with *Lematang Maatschappij* being a coal-mining organization belonging to a private European enterprise captured by the colonial government in 1919 (Friederich & van Leeuwen. T., 2017). Furthermore, *Uluan* people played an active role in developing various plantations on their land. These people functioned as commodity suppliers, helping to enliven the global trade network from Singapore to Europe through brokers in Palembang (Santun et al., 2010). In 1921, the total rubber production was 58 tons, which tremendously surged to 586 tons in the subsequent year. This trend continued with the production of 3,200 and 6,506 tons in 1923 and 1924, respectively. A subsequent increase of 11,951 tons was also observed in 1925, accompanied by a reduction of 11,488 tons in 1926. This reduction substantially elevated by 15,082 tons in 1927 before declining, increasing, and diminishing to 12,509, 15,687, and 10,358 tons in 1928, 1929, and 1930, respectively (Wellan, 1932). Despite these fluctua-



Figure 3. Robusta Coffee in Pasemah, Palembang
Source: ANRI – KIT 609/4 (Arsip Nasional Republik Indonesia, 2019)

tions, a consistent total increase was still continuously observed. Coffee production, similar to rubber, also exhibited rapid growth, with the manufacture of folk coffee reaching 12,027 tons in 1923. This trend surged to 19,881 and 20,981 tons in 1924 and 1925, peaking at 28,229 tons in 1928, respectively (Utama, 2017). The average annual increase in rubber and coffee production was also 171.6% and 20.9%, respectively.

According to the results, Palembang Residency showed strong economic growth during the initial three decades of the 20th century. This indicated that the export value of Palembang Residency agricultural products was below 10 million Guilders in the initial decade (Richter, 1911). However, a sharp economic increase was observed after 1915, with the total export value of agricultural products reaching 50 million guilders in 1925. The economy of Palembang also managed to develop five times in 20 years with the 1923-1929 era emphasizing a very high conjuncture period (Wellan, 1932). In this case, the rapid production of commodities in *Uluan* region led to the consideration of Palembang as a large exporting zone on Sumatra Island. This aligned with the occurrence in 1922, where the exports of Robusta coffee reached 3,359 tons and continued to increase to 23,530 tons in 1928 (Utrechtsch Nieuwsblad, 1929). The total export-import of Palembang was also equivalent to a combination of entire exports and imports in Lampung, Jambi, and Bengkulu through a variety of commodities. Furthermore, the average export income of Palembang commodities was worth 33 million Guilders, consisting of 50%, 37%, and 3% of coffee, rubber, and wood, respectively. Several export commodities cultivated or obtained from forests were also developed, such as pepper, betel nut, benzoin, cotton, resin, *gambir*, fruits, tobacco, *kapok*, and sugarcane. In this case, more than half of the commodities were exported to Singapore at 55%, with Java, as well as other domestic and foreign ports emphasizing 15%, 9%, and 20%, respectively (Miksic, 1985).

Based on the aforementioned descriptions, the imported commodities of Palembang were the most diverse at the same time, compared to other Sumatra regions. This indicated that the highest value of 25% was from Java Island, accompanied by Singapore and other international ports at 16% and 59%, respectively. The largest imported commodity was also rice, with a total of about 18,593 tons (17 kg/capita/year). This proved that a global-scale interconnection and relationship was observed between Palembang and other large regions (Miksic,

1985).

INTERCONNECTION AND TRADING NETWORK

From the early 1900s to the mid-20th century, agricultural and mining commodities in *Uluan* region were subjected to swift growth due to the increasing market demand. This indicated that Palembang evolved into a focal point for both local and external economic activities, serving as the capital and the hub of social, commercial, and political endeavors in South Sumatra (Purwanto, 1998). The development was also reinforced by a centralized trade network within the region, facilitating the concentrated flow of export-import commodity exchanges. Furthermore, Palembang functioned as the capital of the residency since the Srivijaya era, encompassing both the kingdom and Palembang Sultanate. This historical context elucidated the Dutch colonial motivation for their persistent efforts to conquer the Sultanate. Three destructive conflicts were also observed, with Palembang being victorious twice before the Dutch ultimately captured the capital (Wargadalem, 2017). As the trading capital, Palembang subsequently had a very strategic location, due to being widely connected to other surrounding regions through large and small rivers. The city was considered a serving center for all commodities produced in *Uluan* region. In addition, all the products from its buffer regions, including coffee, rubber, cotton, wood, palm oil, etc, converged in the capital Palembang, which served as the focal point



Figure 4. Traditional Ship of *Uluan* People in 1930
Source: ANRI – KIT 536/43 (Arsip Nasional Republik Indonesia, 2019)

for both domestic and international trade networks (Santun et al., 2010).

Based on the aforementioned descriptions, the commodities converged in Palembang, before distribution to other domestic (Batavia, Surabaya, Semarang, Banten, Banjarmasin, etc) and international (Singapore, China, India, the Middle East, America, and Europe) regions. This multilevel trading network connecting the interior regions of Palembang to the international level exemplified a middleman pattern commonly considered a trade broker (Zed, 2003), which established the city as the central hub for facilitating market brokerage. It also linked producers (*Uluan* region) to distributors (capital) through the markets and firms within Palembang Residency capital.

Approximately 74 markets were distributed across the residency region until at least 1921, all centered in Palembang. These markets were sustained by inflows from neighboring regions, close islands within the archipelago, and international sources. The proliferation of markets was also closely tied to the rapid economic expansion of Palembang between 1900 and 1930. Furthermore, the capital-intensive economic sector was predominantly commanded by significant (international) traders and entrepreneurs operating through legal entities, such as firms and export-import companies within the city. These influential traders originated from the European people, as well as the Chinese, Arab, and Bumiputra groups. The success of the traders in establishing business empires within Palembang also facilitated their integration into the global trade network of the city.

The private European companies operating in Palembang also included *Borsumij* (rubber exporter), *Escompto* (luxury goods, such as motor vehicles and home furnishings), *Jacobson v.d Berg* (textiles), *NHM* (banking), *Hagemijer* (food and beverage), and *NV. Industrieele Maatschappij Pa-*

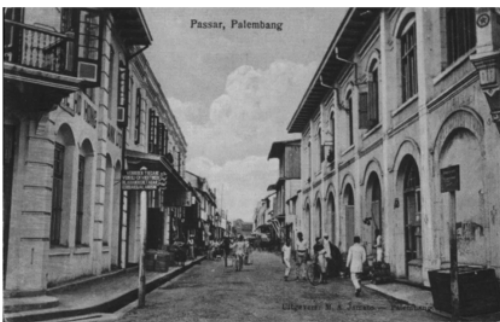


Figure 5. Palembang Market
Source: KITLV 1407308 (2015)

lembang (shipping). These six companies were included within the group of large organizations in the export-import sector of Palembang and the Dutch East Indies (Zed, 2003). The businesses also commonly functioned as close partners of the colonial authority, with government employees frequently being entrepreneurs from the private firms. Moreover, the property agents played a crucial role in the authority due to the significant contribution of their trading activities to Dutch colonial tax revenue. This led to a typical brokerage relationship between businessmen and the government, leading to mutual benefits. Entrepreneurs also provided capital for investments in Palembang, with the government wielding juridical power to facilitate necessary entrepreneurial access (administrative, regulatory, and policy-related).

Chinese, Bumiputra and Arab entrepreneurs were also present in the trading network aside from the European private business owners. This indicated that major Chinese businessmen were highly respected in the export-import sector within Palembang. One of the leading regional Chinese companies was also *NV. Palembang Rubber and NV. Hok Tong*, which engaged in a global rubber trading network with its base located in Singapore (Wargadalem & Utama, 2017). Furthermore, the Chinese descents entrepreneurs dominated the water transportation (shipping) sector, encompassing both Palembang inland and international routes. In this case, the international routes were held by *NV. Tjong Hoa Loen Tjoen Maatschappij*, which sailed to Singapore, Hong Kong, Europe, and America, with *Kongsi Chu Sung Kin* serving Palembang-Manggala route. For the local route, the following companies were in charge, namely *Kiam Boh* (Palembang-Muara Enim, Muara Klingi, *Afwisseland*), *Tjia Kiam Tjie* (Palembang - Muara Rupit and Muara Klingi), *Tijah Koh Ping* (Palembang - Muara Enim and Baturaja), and *Lim King Tjang* (Palembang - *Afwisseland*) (Richter, 1911).

Several bumiputra organizations globally popular in Palembang were the *Haji Akil* and *Haji Soleh* Firms engaging in coffee trading. This was accompanied by *Haji Anang* and *Ali* Firms, which were involved in printing and rubber trading, respectively. Other relevant companies also engaged in shipping local routes, such as *Eneng* (Palembang - Moesi Ilir), *Haji Apidin* (Palembang-Moesi Ilir and *Afwisseland*), *Sidiek* (Palembang-Muara Rupit), *Haji Akip* (Palembang-Muara Enim), and *Muhammad Tajip* (Palembang-Musi Ulu), encompassing commutation modes and transportation of local commodities (Richter, 1911). Moreover, ethnic Ar-

abs played an important role in trade, including Sayid Abu Bakar bin Ahmad engaged in sugar trading, as well as *Assegaf and Alimoenar Firms* involved in the fields of timber marketing, building materials, ice and rubber sap factories, and global cross-shipping (Utama, 2017).

According to the analyzed trading network, the interconnection and trade relationships established from the upstream (commodity producers) to the downstream (global market) of Palembang were described. Various companies, trade partners and brokers, as well as people plantations, were also intertwined in developing a market network to the international level. In addition, all the observed trends were inseparable from the development of the 20th century and the socio-economic transformation of Palembang. As a city directly exposed to global trade activities, Palembang also transitioned from a traditional settlement to a modern cosmopolitan region. This indicated that the economic progress of the region triggered the transformation and social changes in society.

COSMOPOLITAN CITY

The economic development significantly observed during 1900-1930 was responsible for many changes in Palembang Residency. This highlighted the patterns by which the economic surplus in various regional sectors benefited both the colonial administration and the local populace through commodity trade. Palembang, known as the *Wingewesten* region, also attracted significant attention, spurring a noteworthy migration trend that bolstered economic prospects. This influx of migrants, originating from diverse regions, ethnicities, professions, and skill sets, led to rapid population growth, densifying the region annually (Fernanda et al., 2017). By 1914, the population of Palembang reached approximately 60,000, yielding a density of 8.5 individuals/km² (Miksic, 1985). This population value slightly doubled by 1930 at 109,019, aligning with the significant growth in the adjacent *Uluan* region (Putra & Sunarti, 2022). The number of Europeans and Indo-Europeans also increased quite sharply, reaching a range of 1,710 and 3,837 people in 1920 and 1930, respectively. Moreover, the ethnic Chinese population increased from 12,937 to 26,066 (60.6%) during the same period, with the Foreign Eastern groups (Arabs and Indians) balanced on 3,148 inhabitants. The population of Bumiputra also increased by 31% from 810,353 to 1,061,967 inhabitants. These growth activities proved that the total increase in the entire Palembang Residency population was 32.4% during 1920-1930, ranging from

828,004 to 1,096,565 people. The composition of the 1931 population also comprised earthlings, Chinese, Foreign East, and Europe (Zed, 2003).

According to the aforementioned descriptions, Palembang, a burgeoning trading hub, was firmly established as an economic epicenter. Its burgeoning population, representing diverse ethnicities, was also a testament to the economic allure of the city. This success led to an elevation in living standards for the people, accompanied by an undeniable evolution of the region into a cosmopolitan metropolis. The evolution was also characterized by robust socio-economic activity and transnational people bonds. To facilitate the growth and standard of Palembang, colonial authorities then performed urban revitalization, propelling the city into modernity and progress (Utama, 2017; Utomo et al., 2012). In the second decade of the 20th century, the colonial government also massively conducted a project for the physical development plan of the capital Palembang. In this case, the economically-modern city was very inversely proportional to the aspect of urban planning, which was very outdated. The expansion of land space also became the main focus for the colonial residency government to develop the territory. Furthermore, Palembang required ample open land and access to clean water due to its geographical dominance by lowlands, swamps, and rivers (Sevenhoven, 1971). This requirement emerged from the city aspiration to transform into a modern trading hub, necessitating substantial land for infrastructure and urban amenities. In this case, the residency government enlisted renowned colonial architect, Tomas Karsten, to devise a master plan for the physical expansion of the city. The plan was also inspired by the Batavia city landhuis, adjusted to suit the technological, material, and climatic conditions of Palembang



Figure 6. Road of Palembang
Sumber: ANRI – KIT 760/27 (Arsip Nasional Republik Indonesia, 2009b)



Figure 7. Tengkuruk Road (Former Tengkuruk River)
Source: ANRI – KIT 761/66 (Arsip Nasional Republik Indonesia, 2009b)

(Santun, 2010).

Based on the master plan development, the initial step involved hoarding the tributaries in Palembang. This indicated that the Tengkuruk River was the initial hoarded tributary within the city, serving as a major *boulevard* (highway) for transportation. Subsequent river hoarding was also carried out to secure adequate land for the physical development of Palembang, aligning with the government goal of establishing an independent city (Melisa, 2012). After meeting the land needs, continuous development was then conducted to actualize the requirements of European life, specifically the Dutch. This development encompassed the construction of a high-end settlement in the Talang Semut region, complete with a retention pond to mitigate flooding. In this case, people were capable of enjoying a comfortable lifestyle with integrated amenities, including exclusive housing complexes, as well as catering to their daily political, social, and economic activities (Boemi Melayu, 1927b). Public facilities were also constructed in several locations within Palembang, such as churches, cinemas, electrical installations, clean water, hotels, city parks, etc (Utama, 2017). Moreover, the construction of a luxury residential complex was carried out by the BPM oil company in the Plaju and Sungei Gerong regions, accompanied by the designation of a large oil refinery. The construction emphasized the facilitation of the BPM employees working at the oil refinery. BPM also constructed sports fields, swimming pools, entertainment clubs, hospitals, shopping centers, and water supply, to support the life activities of its employees (Tanjung, 2014).

In line with the aforementioned descriptions, the colonial government was responsible for the construction of mainland infrastructures, such as

highways, bridges, and railways. This infrastructural construction prioritized the development of a trade network traffic through land, to facilitate the flow of commodity distribution from Uluan region in 1912 (Palembang-Lahat and Palembang-Tanjung Karang/Lampung railway networks). In this case, the important economic axis in the Lematang River region to its inland region was opened (Peeters, 1997). Moreover, the construction of Palembang (Kertapati)–Lampung (Tanjung Karang) and Palembang–Lahat railway lines was completed after 10 years. Palembang-Lahat railway network was also used by the *Bukit Asam Mijsteencolen* (BAM) company, to transport mining commodities from Uluan region to the capital Palembang (Santun et al., 2010).

Numerous factors also contributed to the development of Palembang modernization framework. This indicated that the shift in the local populace lifestyle was the primary factor influencing the city transformation into a cosmopolitan hub due to globalization. Since Palembang had a long history of engaging in transnational activities, the transformation process was unsurprising. In the 20th century, a prominent transition was also observed from traditional to "Westernized" values, emphasizing a shift from people exclusivity toward embracing a more open orientation. This change was evident in various aspects, including the construction of grand homes by Uluan people, such as coffee and rubber farmers. The homes were also adorned with import-



Figure 8. Road of Palembang – Pagaram
Source: ANRI – KIT 511/80 (Arsip Nasional Republik Indonesia, 2009b)

ed foreign goods, specifically European products, to enhance their social status within the local people (Putra & Sunarti, 2022). Furthermore, the use of Ford and White steam-car vehicles was increasingly crowded in *Uluang* region. This showed that the number of private auto vehicles was not higher than 300 by 1920, with the majority owned by various large companies and several officials in the administrative center of the government. In 1927, the number of auto vehicles also reached 3,750 units, continuously increasing to 6,462 units of various automobile types and sizes were achieved in 1930. All these achievements were dispersed across different *Uluang* regions, as the media of land transportation became more prevalent among people for personal use and commodity trading (Zed, 2003).

According to the aforementioned descriptions, the people of the capital emphasized an "international" identity, prioritizing a commonplace for the consumption of easily available imported products. Canned food, furniture, car accessories, silk fabrics, cigarettes, fine housewares, European clothing, etc were also widely sold in Palembang stores. This trend highlighted that the advertisements featuring modern attire, sandals, and clothing were showcased in local newspapers (Utama, 2017). Moreover, the adoption of Westernized lifestyle trends by the locals was captivating, specifically among the youth, encompassing activities such as cinema, sports, music, theater, and other European arts. This trend then evolved into a favored pastime for locals to unwind after work. The locals also largely emulated the Dutch and broader European lifestyle, a population consistently developing within the city (Boemi Melayu, 1927a). Various social, educational, artistic, as well as sports organizations and associations were subsequently developed, including the *Verniging Inlandsche Bestuur Ambtenaar* (Malay civil servant group). This social organization maintained the harmony and welfare of the Malay people, as well as improved their economic life (Teradjoe, 1920b) (Teradjoe, 23 August 1920). An organization known as Al-Ihsan Palembang was also developed and involved in social welfare and education (Pertja Selatan, 1926). This indicated that *Djamiatul Chairiah, Kaum Setia, Darma Setia, Setia Mupakat, Familie Setia, and Sinoman* worked in the social field and helped each other to death. Furthermore, Tjahaja Budiman engaged in social, educational, and recreational activities (Putra & Sunarti, 2022), accompanied by the observation of several sports groups, such as Merapi Palembang (Teradjoe, 1920a). Sumatra Java v.c, Sinar Palembang, Boenga Palembang, Thor, Jong Java,

Diana, and vv. S.K.M (Kemoedi, 1926). The *Madjoe Adil Setia* association operating in the fields of art, theatre, music, and sports was also prioritized (Kemoedi, 1927).

Based on the entire analyses, the emergence of organizations and people associations in Palembang emphasized significant social and lifestyle changes characterized by regional developments. During 1900-1930, the city also transformed into a cosmopolitan hub, influenced by the transnational cultures facilitated by both social (multiethnic) and economic (global trade) dynamics. These elements collectively propelled the emergence of Palembang as a pivotal cosmopolitan center under the Dutch East Indies colonial administration. According to (Zed, 2003), (Santun, 2010), (Utama, 2017), and (Abubakar et al., 2020), the crucial role of economic and political factors was underscored in the urban transition. The rapid advancements in economy, politics, and technology also propelled Palembang evolution into a metropolitan city with global relations.

CONCLUSION

In conclusion, rapid economic growth in the early 20th century was responsible for the transition of Palembang into a very profitable city for every individual throughout 1900-1930. This progress was inseparable from the development of Palembang global interconnection and trade network, which succeeded in connecting commodity producers (*Uluang*), distributors (city property agents), and consumers (global markets). The shift to commercial export commodities also heightened global demand for the sultanate commodity market. Furthermore, Palembang swiftly originated as an export center, experiencing capital and industrial expansion toward *Uluang* region. This economic growth led to a significant population influx, as immigrants from diverse backgrounds flocked to the city. The economic and demographic shift also facilitated the evolution of Palembang social identity from a traditional maritime hub to a cosmopolitan metropolis. In this case, the key factors contributing to the transformation process included economic advancement, infrastructure development, and societal changes, which played pivotal roles in shaping the identity of the city during the colonial era. Based on the results, the emptiness of Palembang's historiography about a cosmopolitan city was regenerated. This indicates that the colonial period successfully theoretically resolved the theme of modernization and social change manifested through practical reconstruction and rapid develop-

ment from 1900 to 1930. Therefore, several themes emphasizing Palembang are recommended for future analyses, such as Palembang rubber and coffee trade networks, city (*Ilihan*) and inland (*Uluhan*) market structures, as well as European, Arabic, Chinese, and Malay cultural relations in a multicultural society.

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