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## COSMOPOLITAN PALEMBANG: PALEMBANG'S INTERCONNECTION AND GLOBAL TRADE IN 1900-1930

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### 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 *Handelsvereniging 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.

**Kata Kunci : Kosmopolitan, Interkoneksi, Perdagangan Global, Palembang**

### ***ABSTRACT***

Interconnection and global trade that create regional linkages with each other have become an important phenomenon for today's world developments. Of course, it is very interesting if the interconnection and global trade are seen from the historical context. One area that has long-established international relations is Palembang. Towards the 20th century, Palembang emerged as a cosmopolitan city with global-scale connections. This article discusses Palembang's interconnection and global trade in 1900-1930. Its main focus is exploring global trade networks and the transformation of Palembang as a cosmopolitan city. This article aims to explain the global trade network and the transformation of the cosmopolitan city in Palembang. The method used is history with four stages: heuristics, verification, interpretation, and historiography. The results show that Palembang has experienced rapid progress after its export commodities such as coffee, rubber, wood, tea, oil, coal, and others were very well sold in the world market. European investors and multinational companies such as *Handelsvereniging Amsterdam*, *Cultuurmaatschappij Indragiri*, *Straits & Sunda Syndicate*, and others are competing to open and expand their business areas there. This economic progress triggered the transformation of Palembang into a cosmopolitan city. And bring the impact of social change in the people of Palembang.

**Keywords: Cosmopolitan, Interconnection, Global Trade, Palembang**

### **INTRODUCTION**

Various colonial literature often gives distinctive nicknames to describe the city of Palembang, 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). This nickname is nothing but a symbolic form of physical depiction of the city of Palembang, and the socio-cultural conditions of its people that are inseparable from the context of the waters. Most of the people of Palembang do activities on the river that involve economic, social, and cultural activities. The naming also illustrates that Palembang as a center of

power and civilization and trade has long been widely known by Europeans, and they are "comfortable" in Palembang with all available facilities, because it is a fulcrum both from the inside (inland) and outside (global world).

The geographical location of Palembang as the center of a large area in *Uluan*<sup>1</sup> and *iliran* (Palembang in question is an area of the former Palembang Sultanate which was taken over by the Dutch since 1825). The capital region itself is a lowland area dominated by swamps and rivers. However, Palembang is a meeting point of various interests, both from outside (estuary, namely *Sungsang*) and from the interior (uluan). The Uluan in question is the area west of the capital, whose geographical conditions are increasingly to the west increasing to Bukit Barisan as its highest point. Plateaus with mountains and very fertile soil, causing this area to be very potential developed agriculture and plantations (Peeters, 1997).

The vast area is connected by many tributaries with its parent Musi River. The rivers are known as Batanghari Sembilan (Ogan River, Lematang River, Beliti River, Lakitan River, Komerling River, Rawas River, Rupit River, Kelingi River, and Musi River) (Faille, 1971). The rivers are like "highways" for the population, they are interconnected with each other, both in economic, political and socio-cultural relations (Wargadalem, 2017). So, the city of Palembang as the capital, automatically has an important role in shaping connectivity outside and within the Palembang area 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.



Image 1. Palembang Residency in 1922  
Source : ANRI-Dinas Topography 1436/81(2009)

The abundant natural wealth in Uluan makes Palembang a rich city because it is a gathering point for various uluan commodities, and a market for imported products from various nations in

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<sup>1</sup> *Uluan* can be interpreted as an inland area/hinterland. According to Irwanto, uluan is a dichotomous form of polarization of two societies that are strict for the people of South Sumatra, namely uluan and Iliran. The dichotomy of the two poles will center on the starting point of the conception of people in Palembang as the center of the residency capital. Iliran is identified as having a strong influence from the center of the capital so that it is more modern in style. Meanwhile, uluan is categorized as still in the traditional realm, because it gets a little touch from the center of the residential capital. See in Courtesy, et al. 2010. *Iliran dan Uluan: Dinamika dan Dikotomi Sejarah Kultural Palembang*. Yogyakarta: Eja Publisher. pp. 1-2.

the world. Although the city has nothing, due to its low and swampy natural conditions, with periodic tides every day. Palembang is not infertile automatically. (Wargadalem, 2017). The infertility is covered by its geographical location which is a link between the high seas and inland, so the city of Palembang becomes a gathering point (market) for export-import commodities that are welcomed by local, regional, and international traders. This all brings Palembang forward, and continues to become an international trading city that has been famous since the time of the Sriwijaya Kingdom.

Entering the 20th century, this condition has a special form as a logical consequence of the increasing incessant movement of nations from various parts of the world to trade and shipping, supported by the use of Egypt-machines that have become increasingly established since the birth of the Industrial Revolution (18th-19th centuries). As a result, the world entered the second stage of rapid development characterized by modernization, and globalization that lasted from 1900-1970. At this stage, the archipelago is faced with modern currents such as steam engines that replace human power, especially in the textile industry. The same is true in the field of transportation technology, both land, in the form of the birth and development of railways, cars with highways, and airplanes (*English Education Department: Universitas Kristen Indonesia*, June 19, 2019).

In the same era Palembang also experienced rapid development, also supported by a very large area that once belonged to the Palembang Sultanate (1677-1825), which was occupied by the Dutch until 1942. The development of the global economy and trade is increasingly visible, with commodities that have been popular since the royal era, including tin, pepper, *gambir* and so on, and even developing new commodities, namely coffee, tea, cotton, rubber, oil, coal and others. These various commodities are very marketable in the global market. All of this brought Palembang to grow into the Wingewesten region (profit area) which had an impact on everyone, both the colonial government, private investors, business actors, local communities, work nomads, and so on (Abubakar et al, 2020).

Conditions like this are a special attraction for those from various regions, and ethnic groups to settle and pit their luck in Palembang. Entering 1900, European capitalists began to invest in plantation and mining projects in the uluan area of Palembang. In addition, there are also people from China, Arabia, India, Japan, and bumiputra taking part in the "bustle" of the economy with various professions such as traders, laborers, contract coolies and others. They opened various businesses, including opening shops, firms and companies as well as being a workforce in factories, mines, and plantations throughout the Palembang region (Zed, 2003).

This discussion refers to several relevant previous studies, ranging from the sultanate period to the permanent Dutch occupation. The results of this research include the work of Mestika Zed<sup>2</sup>, Jeroen Peeters<sup>3</sup>, Abdullah Makmun dan kawan-kawan<sup>4</sup>, Dedi Irwanto Muhammad Santun<sup>5</sup>,

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<sup>2</sup> Zed, Mestika. (2003). *Kepialangan Politik dan Revolusi Palembang 1900-1950*, Jakarta: LP3ES.

<sup>3</sup> Peeters, Jeroen. (1997). *Kaum Tuo - Kaum Mudo : Perubahan Religius Di Palembang 1821 - 1942*. Jakarta: INIS.

<sup>4</sup> Abdullah et.al. (1984). *Kota Palembang sebagai Kota Dagang dan Industri*. Jakarta: Departemen Pendidikan dan Kebudayaan, Direktorat Sejarah dan Nilai Tradisional, Proyek Inventarisasi dan Dokumentasi Sejarah Nasional.

<sup>5</sup> Santun, D. I. M. (2010). *Venesia Dari Timur: Memaknai Produksi Dan Reproduksi Simbolik Kota Palembang Dari Kolonial Sampai Pascakolonial*. Yogyakarta: Ombak.

Farida Ratu Wargadalem<sup>6</sup>, Nanda Julian Utama<sup>7</sup>, Arlyana Abubakar and friends<sup>8</sup>. These studies help the author understand the condition of Palembang's political, social, and economic dynamics from the time of the Palembang Sultanate to the Dutch colonial period. Entering the 20th century, this region in general has shown very significant developments in various fields. This can be seen from the recognition of Palembang as the Oejan Mas (golden rain) region, which describes the economic surplus derived from the trade of export commodities. Therefore, this development triggered a very fundamental change in the local community of Palembang, so that indirectly this city was transformed into a cosmopolitan city.

The studies above do significantly discuss the development of the city of Palembang in the Dutch colonial period. But on the one hand, these studies have not specifically discussed the transformation of the cosmopolitan city of Palembang and its global trade interconnection. Therefore, this study tries to fill in the gaps in the theme by elaborating the above studies using additional relevant sources. The question asked is how is the interconnection and global trade in Palembang, as well as how Palembang transforms into a cosmopolitan city.

## **METHOD**

This research is a literature study using the historical method which consists of four stages, such as: heuristics, source verification, interpretation, and historiography (Notosusanto, 1978). In the heuristic stage the author collects data from the sources of books, theses, journal articles, and newspapers. After that, the author conducts internal and external criticism by looking at the suitability of the data between the source and the output of the source (physical condition, year of publication, and background of the author). Furthermore, the author interprets these data, and writes them structurally in accordance with the rules of historical writing (historiography). This research aims to explain the interconnection and global trade of Palembang as well as the transformation of the cosmopolitan city in Palembang during the years 1900-1930.

## **RESULT AND DISCUSSION**

### **Economic Condition of Palembang 1900-1930**

When Palembang was still under the rule of the Palembang Sultanate (17th-19th centuries), this area had become part of the international trade traffic of the Malacca Strait in the Southeast Asian region. Palembang's interconnection with the outside world was formed due to mutually beneficial trade relations with each other. Palembang provides a very popular main export commodity, namely tin. In addition, this rich area also provides forest products, agriculture, plantations, and mining, including rattan, sap, resin, *laka* wood, wax, ivory, pepper, *gambir*, indigo, tobacco, dragon sap, tin, sulfur, gold, and so on (Wargadalem, 2017). Meanwhile, traders from outside the Palembang area, especially international traders (Europe, China, India, the Middle East,

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<sup>6</sup> Wargadalem, F. R. (2017). *Kesultanan Palembang dalam Pusaran Konflik (1804 - 1825)*. Jakarta: Kepustakaan Populer Gramedia.

<sup>7</sup> Utama, N. J. (2017). *Perdagangan dan Pelayaran di Sungai-Sungai Keresidenan Palembang 1900-1930*. Thesis. Depok: Universitas Indonesia.

<sup>8</sup> Abubakar et.al. (2020). *Oedjan Mas di Bumi Sriwijaya*. Jakarta: Bank Indonesia Institute.

and so on) brought imported commodities such as cloth, salt, glassware, silk, gold threads, iron pots, medicines, and weapons and so on (Wargadalem, 2009).

Interconnection and global trade made Palembang a transnational territory that could be likened to other major trading cities of the day such as Malacca, Aceh, and Batavia. This fact is indisputable, until Palembang is like a "molek girl" who wants a lot of it to trigger external (British and Dutch) and internal (two siblings, namely Sultan Mahmud Badaruddin II and Sultan Ahmad Najamuddin II) which brought destruction to Palembang and ended up being controlled by the Dutch.

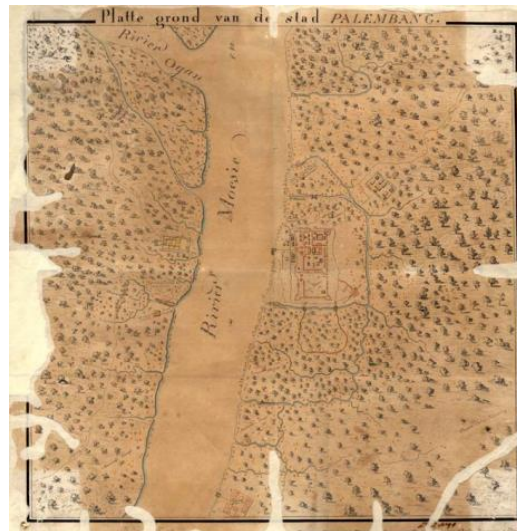


Image 2. Palembang City Administration Plan 1819  
Source : ANRI – De Haan E 38 (2009)

The Dutch colonial government in Palembang was known as the Palembang Residency (Peeters, 1997). After controlling the capital Palembang, the Dutch thought that they had automatically controlled the entire Palembang area (*uluan-iliran*). In fact, what happened was a nightmare, namely the emergence of persistent resistance from the uluan community, especially in the Pasemah (*Sindang*) area which carried out heroically long resistance until 1866. The Dutch were very mistaken in judging the uluan people who were so "allergic" to foreign nations for imposing their will by applying various taxes that during the sultanate they were not familiar with. The uluan people are an independent society subject to the king of Palembang through the "*Sindang Mardika Law*" which guarantees their independence (Wargadalem, 2017).

The colonial government tried to approach the uluan community through making several policies, and the same political system as during the Palembang sultanate. This was done to achieve public legitimacy in order to build a good perception of Palembang colonial rule. The Netherlands hopes that socio-economic activities in Palembang will continue as usual, and the uluan community can be integrated with the Palembang Residency government (Abubakar et al, 2020). Therefore, political and violent efforts continued to be launched by the colonial government to facilitate the process of consolidation of authority, and the unification of the administration as a whole under the residency of Palembang (capital and interior). After the conquest of Palembang until the end of the 19th century, the Palembang colonial government was busy with concentrating

its power in the political, social, and economic fields to intensify its position throughout the Palembang residency (Wargadalem, 2017).

Entering the 20th century, colonial political stability in Palembang has been created. The colonial government in Palembang became increasingly intense in developing its power practices. At this time, Palembang underwent a major transformation in the social, and economic sphere that lasted about thirty years. One of the contributing factors was the transition of substantial commodities during the sultanate such as pepper, *gambir*, and tin to export commercial commodities such as coffee, cotton, rubber, and oil. These all triggered progressive transformations in the social and economic fields throughout the Palembang Residency (Abubakar et al, 2020).

Almost all of the Dutch colonial cash income in this region came from coffee and rubber plantations, which were *prima donnas* in global trade at that time. Both commodities were highly marketable in the world market throughout the second and third decades of the 20th century. This transformation process has an impact on improving the regional economy and population. The city of Palembang began to be known as the *Wingewesten* area (profit area) for everyone, especially the colonial government (Putra and Sunarti, 2022). Immigrants from various ethnicities began to arrive in Palembang and thronged the capital. Most of these immigrants are European capitalists (investors) who want to expand their economic expansion through plantation and mining projects (Zed, 2003). Most of the immigrants who entered this surplus area came from China, Japan, India, Arabia, and other regions of the archipelago who worked as traders and job seekers.

Palembang as the capital also underwent a transformation with the establishment as *Gemeente* in 1906 (Sujiyati and Ali, 2015). This has also become one of the foundations in strengthening the position of the colonial government in the capital which has an impact on "strengthening" legitimacy in the country. With high morale the European capitalists carried out massive economic exploitation by opening many plantation and mining projects. There are no less than 21 coffee plantations on *erfpach* lands (75 years of lease/contract land) in the Pasemah plateau. The number of plantations continued to increase significantly, especially after the implementation of the colonial bureaucratic reorganization in 1912-1913 which aimed to facilitate the process of granting *erfpacht* land concessions (Sujiyati and Ali, 2015). In addition to coffee, rubber, tea, cotton, and other plantations are also developed. In this era, mining also began to be looked at for development, for example oil, gas and coal. All this further encourages European investors to invest, which is supported by the ease of managing trade administration.

This rapid growth continued, as evidenced by the fact that in 1916 the number of private plantations increased to 51, with locations spread throughout the Palembang Residency area. Some well-known private European companies are *Handelsvereniging Amsterdam* (HVA) which is engaged in coffee and rubber plantations in Musi Ulu and Tebing Tinggi. *Cultuurmaatschappij* Indragiri grows tea and coffee in the Pasemah plateau. Straits & Sunda Syndicate belonged to a German company that grew rubber, oil palm, and coffee in Muara Dua, Muara Beliti, and Tebing Tinggi (Utrechtsch Nieuwsblad, May 23, 1927). N.V Borneo-Sumatra *Handels Maatschappij* is a subsidiary of *Nederlandsche Handel Maatschappij* (NHM) which is engaged in rubber trading, and *Handelsvereniging Amsterdam* which is engaged in oil palm plantations in Muara Enim, Tebenan, and Banyuasin (Zed, 2003).

In addition, there are also private European companies engaged in mining, including the Royal Dutch Shell (oil) owned by the Dutch East Indies managed by *Bataafsche Petroleum Maatschappij* (BPM) in the Muara Enim, Suban Jeriji, Limau, Karang Ringin, Babat I, Banjarsari, Selaro, Ramok, and Tanjung Luntar areas (Abdullah et al, 1984). The company also manages a coal mine in the Bukit Asam area, Tanjung Enim. Furthermore, *Standart Oil Co.* is a United States-



owned oil company, and *Lematang Maatschappij* is a coal mining company owned by a private European company that was taken over by the colonial government in 1919 (Friederich, M. C. and van Leeuwen, 2017).

Uniquely in the uluan area, local residents also play an active role in developing various plantations on their land. They function as commodity suppliers, helping to enliven the global trade network to Singapore to Europe through trade brokers in the capital Palembang (Santun et al, 2010). In 1921, the production of all people's rubber reached 58 tons. One year later there was a tremendous jump in people's rubber production to 586 tons. This condition continued, namely in 1923 it was 3,200 tons, in 1924 it reached 6,506 tons. The following year (1925) it rose again to 11,951 tons, but decreased in 1926 until its production was only 11,488 tons. This condition paid off with a high rise in 1927 of 15,082 tons. The Dynamics again occurred in the form of a decline with production of 12,509 tons in 1928, and a significant increase in 1929 of 15,687 tons. Unfortunately, back fell in 1930 to 10,358 tons (Wellan, 1932). Despite the dynamics of production, in general, there is still a fundamental increase. In addition to rubber, coffee production is also growing very rapidly almost the same as rubber production. In 1923, the production of folk coffee amounted to 12,027 tons. Continuing in the following year, the amount of coffee production increased sharply to 19,881 tons, in 1925 by 20,981 tons, and the peak occurred in 1928 reaching 28,229 tons (Main, 2017). So, the average increase in people's rubber production per year was 171.6 percent, and the annual average coffee production was 20.9 percent.



Image 3. Robusta Coffee in Pasemah-Kersidenan Palembang  
Source : ANRI – KIT 609/4 (2019)

During the first three decades of the 20th century, the Palembang Residency has shown strong economic growth. Indeed, in the first ten years the export value of agricultural products of the Palembang Residency was still below 10 million Guilders (Richter, 1911). However, after 1915, there was a sharp economic increase with the total export value of agricultural products reaching 50 million guilders in 1925. In just 20 years, Palembang's economy managed to develop five times (Wellan, 1932). In the era of 1923-1929, the economy of Palembang was in a very high conjuncture period.

The rapid production of commodities in the uluan area, makes Palembang one of the largest exporting areas on the island of Sumatra. In 1922 alone, exports of Robusta coffee from Palembang reached 3,359 tons and continued to increase to 23,530 tons in 1928 (Utrechtsch Nieuwsblad, September 16, 1929). Palembang's total export-import is equivalent to a combination of total

exports and imports in Lampung, Jambi and Bengkulu regions with a variety of commodities. The average export income of Palembang commodities worth 33 million Guilders consisting of coffee commodities worth almost 50 percent, rubber by 37 percent, and wood by three percent. In addition, several export commodities cultivated or obtained from forests have also developed such as pepper, betel nut, benzoin, cotton, resin, *gambir*, fruits, tobacco, kapok and sugarcane. More than half of these commodities are exported to Singapore at 55 percent, to Java at 15 percent, other domestic ports at 9 percent and other foreign ports at twenty percent (Miksic, 1985).

Palembang's imported commodities were also the most diverse at the same time, compared to other Sumatra regions. The highest number from Java island is 25 percent, followed by Singapore at 16 percent, and the remaining 59 percent from various other international port areas. The largest imported commodity is rice with a total of about 18,593 tons (17 kilograms per capita per year). The picture above shows that there has been a global-scale interconnection and relationship between Palembang and other large regions (Miksic, 1985).

### **Interconnection and Trading Network**

From the first decade until the middle of the 20th century, agricultural and mining commodities in the uluan area increased rapidly along with the rapid market demand. Palembang, which is the capital as well as the center of all social, economic, and political activities in the South Sumatra region, has become a gathering place for all economic activities from outside and within Palembang. Moreover, this is supported by a centralized trade network in the capital Palembang so that the flow of export-import commodity crossings is concentrated in the region.

The city of Palembang not only acts as the capital of the residency politically, but also the economic capital for the entire Palembang Residency area, which in fact has been going on since the Srivijaya era, continuing the kingdom and the Palembang Sultanate. This means that the Dutch are just continuing. This also caused them to be very persistent in trying to conquer the Palembang Sultanate, so it took three devastating wars (twice won by the Palembang side) to control the capital Palembang (Wargadalem, 2017). As the trading capital, Palembang has a very strategic location, because it is widely connected to other areas around it through large and small rivers. This city is a serving center for all commodities produced in the uluan region. All produce that comes from its buffer areas such as coffee, rubber, cotton, wood, palm oil and so on gathers in the capital Palembang as the center of internal and external trade networks (Santun et al, 2010).

Commodities gathered in Palembang, then distributed to other regions (Batavia, Surabaya, Semarang, Banten, Banjarmasin, and others) and international regions (Singapore, China, India, the Middle East, America, and Europe). This multilevel trading network (starting from the interior, continuing to the capital Palembang, to the international) shows a middleman pattern or commonly referred to as a trade broker (Zed, 2003). Therefore, it can be said that Palembang is the center of trade brokerage activities that connects producers (uluan region) with distributors (capital) through markets and firms operating in the capital of Palembang Residency.



Image 4. Traditional Ship of the Uluan Society 1930  
Source : ANRI – KIT 536/43 (2019)

At least until 1921, there were already around 74 markets spread throughout the Palembang residency area, all of which rested on the city of Palembang. Likewise, inflows from various surrounding regions, islands in the archipelago and internationally. This growth in the number of markets is closely related to the rapid development of Palembang's economy from 1900 to 1930. Large-scale (international) traders/entrepreneurs dominate the capital-intensive economic sector through legal entities of firms and export-import companies active in the city of Palembang. These large-scale traders are not only from the European group, but also from the Chinese, Arab and Bumiputra groups who have succeeded in building their business empires in Palembang so that they can be integrated into the Palembang global trade network.



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

Private European companies operating in Palembang include: *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 Palembang* (shipping). These six companies are included in the group of large companies in the export-import sector of Palembang and the Dutch East Indies (Zed, 2003).

These private European companies generally acted as close partners of the colonial government. In fact, not infrequently, these government employees are entrepreneurs from these

private companies. The position of these realtors was very important to the colonial government because their trading activities were a great advantage for the Dutch colonial tax revenue. Therefore, between businessmen and the government established a typical brokerage relationship, and mutual benefit from each other. Entrepreneurs have the capital to invest in Palembang, while the government has juridical power to facilitate all the access needed by the entrepreneur (administrative, regulatory, and involved in policy determination).

In addition to European private entrepreneurs, Chinese, Bumiputra and Arab entrepreneurs also exist in this trading network. Generally, major Chinese businessmen are highly respected in the export-import sector in Palembang. One of the leading Chinese companies in Palembang is NV. Palembang Rubber and NV. Hok Tong which is engaged in a global rubber trading network (its base is in Singapore) (Wargdalem and Utama, 2017). Chinese *peranakan* entrepreneurs also dominate the water transportation (shipping/shipping) sector, both Palembang inland routes and international routes. International routes are held by *NV. Tiong Hoa Loen Tjoen Maatschappij* who sailed to Singapore, Hong Kong, Europe, America and *Kongsi Chu Sung Kin* served the Palembang–Manggala route. While the local route is held by the companies *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).

Some of the bumiputra companies that are well-known globally in Palembang are Haji Akil Firm and Haji Soleh Firm which are engaged in coffee trading, Haji Anang Firm is engaged in printing, Haji Ali Firm is engaged in rubber trading, and several companies 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) which are modes of transportation and transportation of local commodities (Richter, 1911). Meanwhile, ethnic Arabs also play an important role in trade, including Sayid Abu Bakar bin Ahmad engaged in sugar trading, *Assegaf Firm* and *Alimoenar Firm* in the field of timber trade, building materials, ice factories, rubber sap factories, and global cross-shipping (Utama, 2017).

From this trading network, it can be described the interconnection and trade relationships created from the upstream (commodity producers) to the downstream (global market) of Palembang. Various kinds of swata companies, trade partners, community plantations, and trade brokers are intertwined in creating a Palembang trading network to the international level. Of course, all of this is inseparable from the development of the 20th century world and the socio-economic transformation of Palembang. As a city that was directly exposed to global trade activities, Palembang began to transition from a traditional city to a modern cosmopolitan city. Therefore, Palembang's economic progress triggered the transformation of the city and social changes in society.

## **Cosmopolitan City**

The economic development that grew significantly during the years 1900-1930 caused many changes in the Palembang Residency. The economic surplus that hit almost all areas of Palembang made everyone, both the colonial government and the community benefit more from the results of commodity trade. Palembang, which began to be known as the *Wingewesten* region, made many people interested in coming and looking for economic luck there. This economic progress caused a massive migration wave to Palembang and had an impact on increasing the population in the city

and in *Uluan*. The immigrants who come to Palembang come from different regions and ethnicities, professions and diverse skills. The crowds of Palembang migrants can be seen from the rapid growth of the population so that this area is increasingly dense and continues to increase every year (Fernanda et al, 2017). By 1914 the population of Palembang had reached around 60,000 people with a population density of 8.5 per square kilometer. (Miksic, 1985). In 1930 there was a nearly double increase in population of 109,019. The capital is also a mirror for the uluan area, which automatically also experiences significant additions (Putra and Sunarti, 2022).

The number of Europeans and indo-Europeans also increased quite sharply, reaching a range of 1,710 in 1920, and increasing to 3,837 inhabitants in 1930. The ethnic Chinese population in the same period also increased from 12,937 to 26,066 (60.6 percent). The Foreign Eastern ethnic groups (Arabs and Indians) did not increase and remained in the range of 3,148 inhabitants. The population of bumiputra increased by 31 percent from 810,353 inhabitants to 1,061,967 inhabitants. Thus, the total increase in the total population in the entire Palembang Residency during 1920-1930 was 32.4 percent from 828,004 people to 1,096,565 people. The composition of the population of 1931 was earthlings, Chinese, Foreign East and Europe (Zed, 2003).

Palembang as a trading city, and the center of everything, increasingly shows its identity as a center for seeking economic fortune. The rapid population growth across ethnicities, and the country in Palembang shows that the economic success in this region has an effect on improving people's living standards. Palembang slowly transformed into a cosmopolitan city with a high level of socio-economic life, and cross-border community associations. In order to support its progress and demands, forcing the colonial authorities to carry out physical renewal in the capital of the residency, making this region increasingly modern and increasingly advanced according to the size of its time.

At least in the second decade of the 20th century, the colonial government began to massively carry out a project for the physical development plan of the capital Palembang. Palembang, which is actually modern in terms of economy, is very inversely proportional to the aspect of urban planning which is still very outdated and outdated. The expansion of land space became the main focus for the colonial residency government to develop this territory. The area, which is geographically dominated by lowlands, swamps, and rivers, makes the city in dire need of open land space and access to clean water. Of course, to build a more modern trading city, a lot of land space is needed to accommodate a lot of infrastructure and urban public facilities. Therefore, the Palembang residency government sent a famous colonial architect, namely Tomas Karsten, to create a master plan for the physical development of the residency capital which refers to the application of the Batavia city *landhuis* by adjusting technology, materials, and climate in the Palembang city area (Santun, 2010).



Image 6. Road of Palembang  
*Sumber: ANRI – KIT 760/27 (2009)*

The first step is to hoard the tributaries of the city. The Tengkuruk River was the first tributary to be hoarded, and served as the city's *boulevard* (highway). Furthermore, river hoarding continues to be carried out to get enough land space for the physical development of the city to proceed according to the target of the government that wants to create an indies city (Melisa, 2012).

After the need for land was considered fulfilled, development was carried out in order to meet the needs of European life, especially the Dutch. The construction of a luxurious settlement in the Talang Semut area with its retention pond so as not to be affected by flooding. They can live comfortably with all the supporting facilities, such as exclusive housing complexes, and luxury and are directly integrated with all their daily activities (political, social, and economic). Furthermore, public facilities were built in several places in Palembang such as churches, cinemas, electrical installations, clean water, hotels, city parks, and so on (Utama, 2017). The construction of a luxury residential complex was also carried out by the BPM oil company in the Plaju and Sungei Gerong areas along with the construction of a large oil refinery there. The construction of this housing is aimed at facilitating BPM employees working at the oil refinery. BPM also builds sports fields, swimming pools, entertainment clubs, hospitals, shopping centers, and water supply to support the life activities of its employees (Tanjung, 2014).



Image 7. Tengkuruk Road (Former Tengkuruk River)  
*Source: ANRI – KIT 761/66 (2009)*

Subsequently, the colonial government began to develop the construction of mainland infrastructure such as highways, bridges, and railways. This land infrastructure development is aimed at developing trade network traffic via land, in order to facilitate the flow of commodity distribution from the uluan area (Palembang-Lahat and Palembang-Tanjung Karang / Lampung railway networks) in 1912. This can open the important economic axis in the Lematang River area to its inland area (Peeters, 1997). Ten years later, the construction of the Palembang (Kertapati) – Lampung (Tanjung Karang) and Palembang – Lahat railway lines has also been completed. The Palembang-Lahat railway network is used by the Bukit Asam Mijnssteencolen (BAM) company to transport mining commodities from the uluan area to the capital Palembang (Santun et al, 2010).



Image 8. Road of Palembang – Pagaralam  
*Source : ANRI – KIT 511/80 (2009)*

Many factors of change play a role in compiling the modernization framework of Palembang, the main thing in triggering the transformation of this city into a cosmopolitan city is the change in the lifestyle of local people who have been exposed to the currents of globalization. It is not surprising that Palembang can easily grow into a cosmopolitan city, because its people have long been accustomed to transnational life. Entering the 20th century, the orientation of community exclusivity has undergone a fairly sharp shift from traditional to "Westernized". Many uluan communities (especially coffee and rubber farmers) are competing to build large and magnificent houses. Then the houses are filled with imported foreign products (especially European) as a tool to raise the degree of their lives in the eyes of other local people (Putra and Sunarti, 2022).

In addition, the use of oto ford and Whitesteam-car vehicles is also increasingly crowded in the uluan area of Palembang. By 1920, the number of private auto vehicles was not as high as 300, most of which were owned by various large companies in the uluan as well as some officials in the administrative center of the government. In 1927, the number of auto vehicles reached 3,750 units, and continued to increase until it reached 6,462 units of various types, and sizes in 1930. All of them are scattered in various uluan areas. Since then, these means of land transportation have become increasingly commonly used by most of the uluan people for personal purposes and commodity trading (Zed, 2003).

The consequence of all that, brought the inhabitants of the capital to become "international". It is not uncommon for them to consume imported products that they easily get in the markets in the city. Canned packaged food, furniture/ furniture, car bibs, silk fabrics, cigarettes, cups (high house furniture), European clothing, and so on are widely sold in Palembang stores. Advertisements for modern men's, sandals, and men's-women's clothing are displayed in local newspapers (Utama, 2017). No less interesting is when local people began to adopt a Westernized lifestyle that began to be trendy among young people such as watching cinema, sports, music, theater, and other European arts. This has become a new hobby for local people to fill their leisure time after returning home from work. They generally imitated the lifestyle of the Dutch people in particular and Europeans in general, which were increasingly in number in this city.

In addition, various social, educational, artistic and sports organizations and associations developed, including the *Verninging Inlandsche Bestuur Ambtenaar* (Malay civil servant group).



A social organization that aims to maintain the harmony and welfare of the Malay people, as well as improve their economic life (Teradjoe, 23 August 1920). Also developing, an organization named Al-Ihsan Palembang which is engaged in social welfare and education (Pertja Selatan, 25 August 1926). *Djamiatul Chairiah*, *Kaum Setia*, *Darma Setia*, *Setia Mupakat*, *Familie Setia*, and *Sinoman* who work in the social field help each other with death. Tjahaja Budiman engaged in social, education and sports (Putra and Sunarti, 2022). Then there were sports groups such as Merapi Palembang (Teradjoe, 12 July 1920). Sumatra Java v.c, Sinar Palembang, Boenga Palembang, Thor, Jong Java, Diana, vv. S.K.M which is a football club (Kemoedi, 6 September 1926). Finally, the Madjoe Adil Setia association which operates in the fields of art, theatre, music and sports (Kemoedi, 28 February 1927).

The emergence of many organizations, and community gatherings in this city shows that there is a change in social, and lifestyle. All of this is inseparable from the change in the city of Palembang which was in the process of becoming a cosmopolitan city throughout the years 1900-1930. Palembang's who have been exposed to transnational culture supported by social (multiethnic) and economic (global trade) factors have made Palembang appear successful as a cosmopolitan city that is important for the colonial government of the Dutch East Indies.

## CONCLUSION

Rapid economic growth in the early 20th century has turned Palembang into a very profitable city for everyone throughout the years 1900-1930. Of course, this progress is inseparable from the development of Palembang's global interconnection and trade network which has succeeded in connecting commodity producers (*uluan*), distributors (realtors in the city), and consumers (global markets). The shift in interest in the sultanate's commodity market to commercial export commodities has made this region increasingly in demand by the global market. The city of Palembang quickly developed into an export commodity center with capital and industrial growth that is increasingly expanding to the *uluan* area. No wonder there is a surge in population in the capital due to this very progressive economic growth. Immigrants from various ethnic backgrounds, places, and professions began to arrive crowding the city of Palembang. Economic and population development indirectly encouraged the transformation of Palembang's social identity from a maritime-traditional city to a cosmopolitan city. Economic progress, infrastructure, and social changes in society became important points in creating the identity of Palembang as a cosmopolitan city in the colonial era. The author hopes that this study can contribute to the emptiness of Palembang's historiography about the cosmopolitan city. Theoretically, this study answers the theme of modernization and social change of Palembang in the colonial period and practically tries to reconstruct the rapid development of the city of Palembang throughout the years 1900-1930. Based on the results of this study, the author tries to recommend further research themes about Palembang that can be done by other researchers, such as: Palembang rubber trading network, Palembang coffee trade network, city (*iliran*) and inland (*uluan*) trade structures in the Palembang residency, and European, Arabic, Chinese, and Malay cultural relations in Palembang's multicultural society.

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International Indonesian Forum for Asian Studies  
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Reviewer A:

Basically this research is good, especially in the use of sources. it's just that it might be better if it is added with an approach, especially in the economic aspect or about urban development, such as the concept of an approach to global history.

Make sure all sources are using Mendeley. Some sources seem unformatted. This section should also be added to the page on which this source was cited.

This article is still a historical description. The author needs to add a discussion about how this paper's contribution and novelty to previous research.

Reviewer B:

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## COSMOPOLITAN PALEMBANG: PALEMBANG'S INTERCONNECTION AND GLOBAL TRADE IN 1900-1930

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### 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 *Handelsvereniging 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.

**Kata Kunci : Kosmopolitan, Interkoneksi, Perdagangan Global, Palembang**

### *ABSTRACT*

Interconnection and global trade that create regional linkages with each other have become an important phenomenon for today's world developments. Of course, it is very interesting if the interconnection and global trade are seen from the historical context. One area that has long-established international relations is Palembang. Towards the 20th century, Palembang emerged as a cosmopolitan city with global-scale connections. This article discusses Palembang's interconnection and global trade in 1900-1930. Its main focus is exploring global trade networks and the transformation of Palembang as a cosmopolitan city. This article aims to explain the global trade network and the transformation of the cosmopolitan city in Palembang. The method used is history with four stages: heuristics, verification, interpretation, and historiography. The results show that Palembang has experienced rapid progress after its export commodities such as coffee, rubber, wood, tea, oil, coal, and others were very well sold in the world market. European investors and multinational companies such as *Handelsvereniging Amsterdam*, *Cultuurmaatschappij Indragiri*, *Straits & Sunda Syndicate*, and others are competing to open and expand their business areas there. This economic progress triggered the transformation of Palembang into a cosmopolitan city. And bring the impact of social change in the people of Palembang.

**Keywords: Cosmopolitan, Interconnection, Global Trade, Palembang**

### INTRODUCTION

Various colonial literature often gives distinctive nicknames to describe the city of Palembang, 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). This nickname is nothing but a symbolic form of physical depiction of the city of Palembang, and the socio-cultural conditions of its people that are inseparable from the context of the waters. Most of the people of Palembang do activities on the river that involve economic, social, and cultural activities. The naming also illustrates that Palembang as a center of power and civilization and trade has long been widely known by Europeans, and they are "comfortable" in Palembang with all available facilities, because it is a fulcrum both from the inside (inland) and outside (global world).

The geographical location of Palembang as the center of a large area in *Uluan*<sup>9</sup> and *iliran* (Palembang in question is an area of the former Palembang Sultanate which was taken over by the Dutch since 1825). The capital region itself is a lowland area dominated by swamps and rivers. However, Palembang is a meeting point of various interests, both from outside (estuary, namely *Sungsang*) and from the interior (uluan). The Uluan in question is the area west of the capital, whose geographical conditions are increasingly to the west increasing to Bukit Barisan as its highest point. Plateaus with mountains and very fertile soil, causing this area to be very potential developed agriculture and plantations (Peeters, 1997).

The vast area is connected by many tributaries with its parent Musi River. The rivers are known as Batanghari Sembilan (Ogan River, Lematang River, Beliti River, Lakitan River, Komering River, Rawas River, Rupit River, Kelingi River, and Musi River) (Faille, 1971). The rivers are like "highways" for the population, they are interconnected with each other, both in economic, political and socio-cultural relations (Wargadalem, 2017). So, the city of Palembang as the capital, automatically has an important role in shaping connectivity outside and within the Palembang area 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.

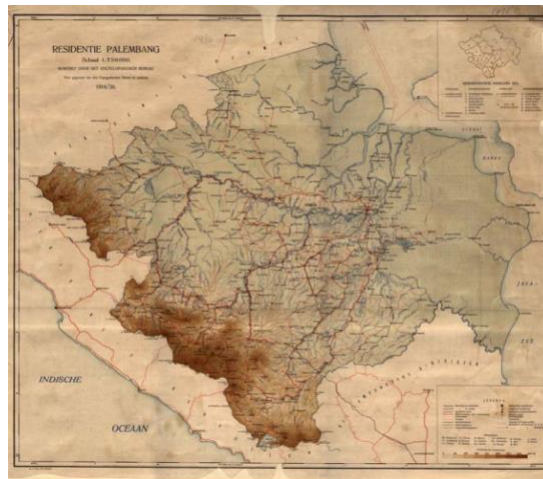


Image 1. Palembang Residency in 1922  
Source : ANRI-Dinas Topography 1436/81(2009)

The abundant natural wealth in Uluan makes Palembang a rich city because it is a gathering point for various uluan commodities, and a market for imported products from various nations in the world. Although the city has nothing, due to its low and swampy natural conditions, with periodic tides every day. Palembang is not infertile automatically. (Wargadalem, 2017). The infertility is covered by its geographical location which is a link between the high seas and inland,

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<sup>9</sup> *Uluan* can be interpreted as an inland area/hinterland. According to Irwanto, uluan is a dichotomous form of polarization of two societies that are strict for the people of South Sumatra, namely uluan and Ilihan. The dichotomy of the two poles will center on the starting point of the conception of people in Palembang as the center of the residency capital. Ilihan is identified as having a strong influence from the center of the capital so that it is more modern in style. Meanwhile, uluan is categorized as still in the traditional realm, because it gets a little touch from the center of the residential capital. See in Courtesy, et al. 2010. *Ilihan dan Uluan: Dinamika dan Dikotomi Sejarah Kultural Palembang*. Yogyakarta: Eja Publisher. pp. 1-2.

so the city of Palembang becomes a gathering point (market) for export-import commodities that are welcomed by local, regional, and international traders. This all brings Palembang forward, and continues to become an international trading city that has been famous since the time of the Sriwijaya Kingdom.

Entering the 20th century, this condition has a special form as a logical consequence of the increasing incessant movement of nations from various parts of the world to trade and shipping, supported by the use of Egypt-machines that have become increasingly established since the birth of the Industrial Revolution (18th-19th centuries). As a result, the world entered the second stage of rapid development characterized by modernization, and globalization that lasted from 1900-1970. At this stage, the archipelago is faced with modern currents such as steam engines that replace human power, especially in the textile industry. The same is true in the field of transportation technology, both land, in the form of the birth and development of railways, cars with highways, and airplanes (*English Education Department: Universitas Kristen Indonesia, June 19, 2019*).

In the same era Palembang also experienced rapid development, also supported by a very large area that once belonged to the Palembang Sultanate (1677-1825), which was occupied by the Dutch until 1942. The development of the global economy and trade is increasingly visible, with commodities that have been popular since the royal era, including tin, pepper, *gambir* and so on, and even developing new commodities, namely coffee, tea, cotton, rubber, oil, coal and others. These various commodities are very marketable in the global market. All of this brought Palembang to grow into the Wingewesten region (profit area) which had an impact on everyone, both the colonial government, private investors, business actors, local communities, work nomads, and so on (Abubakar et al, 2020).

Conditions like this are a special attraction for those from various regions, and ethnic groups to settle and pit their luck in Palembang. Entering 1900, European capitalists began to invest in plantation and mining projects in the uluan area of Palembang. In addition, there are also people from China, Arabia, India, Japan, and bumiputra taking part in the "bustle" of the economy with various professions such as traders, laborers, contract coolies and others. They opened various businesses, including opening shops, firms and companies as well as being a workforce in factories, mines, and plantations throughout the Palembang region (Zed, 2003).

This discussion refers to several relevant previous studies, ranging from the sultanate period to the permanent Dutch occupation. The results of this research include the work of Mestika Zed<sup>10</sup>, Jeroen Peeters<sup>11</sup>, Abdullah Makmun dan kawan-kawan<sup>12</sup>, Dedi Irwanto Muhammad Santun<sup>13</sup>, Farida Ratu Wargadalem<sup>14</sup>, Nanda Julian Utama<sup>15</sup>, Arlyana Abubakar and friends<sup>16</sup>.

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<sup>10</sup> Zed, Mestika. (2003). *Kepialangan Politik dan Revolusi Palembang 1900-1950*, Jakarta: LP3ES.

<sup>11</sup> Peeters, Jeroen. (1997). *Kaum Tuo - Kaum Mudo : Perubahan Religius Di Palembang 1821 - 1942*. Jakarta: INIS.

<sup>12</sup> Abdullah et.al. (1984). *Kota Palembang sebagai Kota Dagang dan Industri*. Jakarta: Departemen Pendidikan dan Kebudayaan, Direktorat Sejarah dan Nilai Tradisional, Proyek Inventarisasi dan Dokumentasi Sejarah Nasional.

<sup>13</sup> Santun, D. I. M. (2010). *Venesia Dari Timur: Memaknai Produksi Dan Reproduksi Simbolik Kota Palembang Dari Kolonial Sampai Pascakolonial*. Yogyakarta: Ombak.

<sup>14</sup> Wargadalem, F. R. (2017). *Kesultanan Palembang dalam Pusaran Konflik (1804 - 1825)*. Jakarta: Kepustakaan Populer Gramedia.

<sup>15</sup> Utama, N. J. (2017). *Perdagangan dan Pelayaran di Sungai-Sungai Keresidenan Palembang 1900-1930*. Thesis. Depok: Universitas Indonesia.

<sup>16</sup> Abubakar et.al. (2020). *Oedjan Mas di Bumi Sriwijaya*. Jakarta: Bank Indonesia Institute.

These studies help the author understand the condition of Palembang's political, social, and economic dynamics from the time of the Palembang Sultanate to the Dutch colonial period. Entering the 20th century, this region in general has shown very significant developments in various fields. This can be seen from the recognition of Palembang as the Oejan Mas (golden rain) region, which describes the economic surplus derived from the trade of export commodities. Therefore, this development triggered a very fundamental change in the local community of Palembang, so that indirectly this city was transformed into a cosmopolitan city.

The studies above do significantly discuss the development of the city of Palembang in the Dutch colonial period. But on the one hand, these studies have not specifically discussed the transformation of the cosmopolitan city of Palembang and its global trade interconnection. Therefore, this study tries to fill in the gaps in the theme by elaborating the above studies using additional relevant sources. The question asked is how is the interconnection and global trade in Palembang, as well as how Palembang transforms into a cosmopolitan city.

## **METHOD**

This research is a literature study using the historical method which consists of four stages, such as: heuristics, source verification, interpretation, and historiography (Notosusanto, 1978). In the heuristic stage the author collects data from the sources of books, theses, journal articles, and newspapers. After that, the author conducts internal and external criticism by looking at the suitability of the data between the source and the output of the source (physical condition, year of publication, and background of the author). Furthermore, the author interprets these data, and writes them structurally in accordance with the rules of historical writing (historiography). This research aims to explain the interconnection and global trade of Palembang as well as the transformation of the cosmopolitan city in Palembang during the years 1900-1930.

## **RESULT AND DISCUSSION**

### **Economic Condition of Palembang 1900-1930**

When Palembang was still under the rule of the Palembang Sultanate (17th-19th centuries), this area had become part of the international trade traffic of the Malacca Strait in the Southeast Asian region. Palembang's interconnection with the outside world was formed due to mutually beneficial trade relations with each other. Palembang provides a very popular main export commodity, namely tin. In addition, this rich area also provides forest products, agriculture, plantations, and mining, including rattan, sap, resin, *laka* wood, wax, ivory, pepper, *gambir*, indigo, tobacco, dragon sap, tin, sulfur, gold, and so on (Wargadalem, 2017). Meanwhile, traders from outside the Palembang area, especially international traders (Europe, China, India, the Middle East, and so on) brought imported commodities such as cloth, salt, glassware, silk, gold threads, iron pots, medicines, and weapons and so on (Wargadalem, 2009).

Interconnection and global trade made Palembang a transnational territory that could be likened to other major trading cities of the day such as Malacca, Aceh, and Batavia. This fact is indisputable, until Palembang is like a "molek girl" who wants a lot of it to trigger external (British and Dutch) and internal (two siblings, namely Sultan Mahmud Badaruddin II and Sultan Ahmad



Najamuddin II) which brought destruction to Palembang and ended up being controlled by the Dutch.

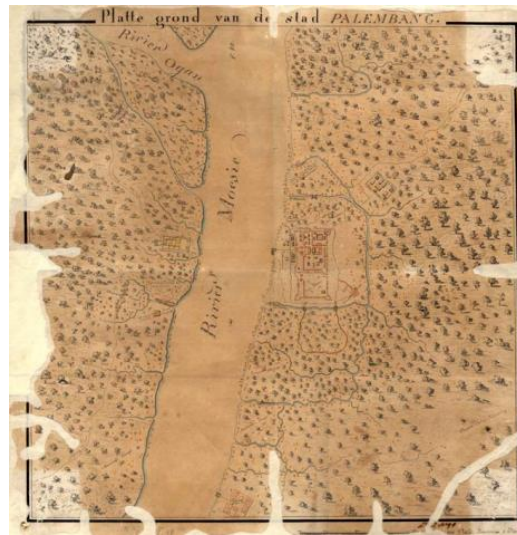


Image 2. Palembang City Administration Plan 1819  
Source : ANRI – De Haan E 38 (2009)

The Dutch colonial government in Palembang was known as the Palembang Residency (Peeters, 1997). After controlling the capital Palembang, the Dutch thought that they had automatically controlled the entire Palembang area (*uluan-iliran*). In fact, what happened was a nightmare, namely the emergence of persistent resistance from the uluan community, especially in the Pasemah (*Sindang*) area which carried out heroically long resistance until 1866. The Dutch were very mistaken in judging the uluan people who were so "allergic" to foreign nations for imposing their will by applying various taxes that during the sultanate they were not familiar with. The uluan people are an independent society subject to the king of Palembang through the "*Sindang Mardika Law*" which guarantees their independence (Wargadalem, 2017).

The colonial government tried to approach the uluan community through making several policies, and the same political system as during the Palembang sultanate. This was done to achieve public legitimacy in order to build a good perception of Palembang colonial rule. The Netherlands hopes that socio-economic activities in Palembang will continue as usual, and the uluan community can be integrated with the Palembang Residency government (Abubakar et al, 2020). Therefore, political and violent efforts continued to be launched by the colonial government to facilitate the process of consolidation of authority, and the unification of the administration as a whole under the residency of Palembang (capital and interior). After the conquest of Palembang until the end of the 19th century, the Palembang colonial government was busy with concentrating its power in the political, social, and economic fields to intensify its position throughout the Palembang residency (Wargadalem, 2017).

Entering the 20th century, colonial political stability in Palembang has been created. The colonial government in Palembang became increasingly intense in developing its power practices. At this time, Palembang underwent a major transformation in the social, and economic sphere that lasted about thirty years. One of the contributing factors was the transition of substantial commodities during the sultanate such as pepper, *gambir*, and tin to export commercial

commodities such as coffee, cotton, rubber, and oil. These all triggered progressive transformations in the social and economic fields throughout the Palembang Residency (Abubakar et al, 2020).

Almost all of the Dutch colonial cash income in this region came from coffee and rubber plantations, which were *prima donnas* in global trade at that time. Both commodities were highly marketable in the world market throughout the second and third decades of the 20th century. This transformation process has an impact on improving the regional economy and population. The city of Palembang began to be known as the *Wingewesten* area (profit area) for everyone, especially the colonial government (Putra and Sunarti, 2022). Immigrants from various ethnicities began to arrive in Palembang and thronged the capital. Most of these immigrants are European capitalists (investors) who want to expand their economic expansion through plantation and mining projects (Zed, 2003). Most of the immigrants who entered this surplus area came from China, Japan, India, Arabia, and other regions of the archipelago who worked as traders and job seekers.

Palembang as the capital also underwent a transformation with the establishment as *Gemeente* in 1906 (Sujiyati and Ali, 2015). This has also become one of the foundations in strengthening the position of the colonial government in the capital which has an impact on "strengthening" legitimacy in the country. With high morale the European capitalists carried out massive economic exploitation by opening many plantation and mining projects. There are no less than 21 coffee plantations on *erfpach* lands (75 years of lease/contract land) in the Pasemah plateau. The number of plantations continued to increase significantly, especially after the implementation of the colonial bureaucratic reorganization in 1912-1913 which aimed to facilitate the process of granting *erfpacht* land concessions (Sujiyati and Ali, 2015). In addition to coffee, rubber, tea, cotton, and other plantations are also developed. In this era, mining also began to be looked at for development, for example oil, gas and coal. All this further encourages European investors to invest, which is supported by the ease of managing trade administration.

This rapid growth continued, as evidenced by the fact that in 1916 the number of private plantations increased to 51, with locations spread throughout the Palembang Residency area. Some well-known private European companies are *Handelsvereeninging Amsterdam* (HVA) which is engaged in coffee and rubber plantations in Musi Ulu and Tebing Tinggi. *Cultuurmaatschappij Indragiri* grows tea and coffee in the Pasemah plateau. Straits & Sunda Syndicate belonged to a German company that grew rubber, oil palm, and coffee in Muara Dua, Muara Beliti, and Tebing Tinggi (Utrechtsch Nieuwsblad, May 23, 1927). N.V Borneo-Sumatra *Handels Maatschappij* is a subsidiary of *Nederlandsche Handel Maatschappij* (NHM) which is engaged in rubber trading, and *Handelsvereeninging Amsterdam* which is engaged in oil palm plantations in Muara Enim, Tebenan, and Banyuasin (Zed, 2003).

In addition, there are also private European companies engaged in mining, including the Royal Dutch Shell (oil) owned by the Dutch East Indies managed by *Bataafsche Petroleum Maatschappij* (BPM) in the Muara Enim, Suban Jeriji, Limau, Karang Ringin, Babat I, Banjarsari, Selaro, Ramok, and Tanjung Luntar areas (Abdullah et al, 1984). The company also manages a coal mine in the Bukit Asam area, Tanjung Enim. Furthermore, *Standart Oil Co.* is a United States-owned oil company, and *Lematang Maatschappij* is a coal mining company owned by a private European company that was taken over by the colonial government in 1919 (Friederich, M. C. and van Leeuwen, 2017).

Uniquely in the uluan area, local residents also play an active role in developing various plantations on their land. They function as commodity suppliers, helping to enliven the global trade network to Singapore to Europe through trade brokers in the capital Palembang (Santun et al, 2010). In 1921, the production of all people's rubber reached 58 tons. One year later there was a

tremendous jump in people's rubber production to 586 tons. This condition continued, namely in 1923 it was 3,200 tons, in 1924 it reached 6,506 tons. The following year (1925) it rose again to 11,951 tons, but decreased in 1926 until its production was only 11,488 tons. This condition paid off with a high rise in 1927 of 15,082 tons. The Dynamics again occurred in the form of a decline with production of 12,509 tons in 1928, and a significant increase in 1929 of 15,687 tons. Unfortunately, back fell in 1930 to 10,358 tons (Wellan, 1932). Despite the dynamics of production, in general, there is still a fundamental increase. In addition to rubber, coffee production is also growing very rapidly almost the same as rubber production. In 1923, the production of folk coffee amounted to 12,027 tons. Continuing in the following year, the amount of coffee production increased sharply to 19,881 tons, in 1925 by 20,981 tons, and the peak occurred in 1928 reaching 28,229 tons (Main, 2017). So, the average increase in people's rubber production per year was 171.6 percent, and the annual average coffee production was 20.9 percent.



Image 3. Robusta Coffee in Pasemah-Kersidenan Palembang  
*Source : ANRI – KIT 609/4 (2019)*

During the first three decades of the 20th century, the Palembang Residency has shown strong economic growth. Indeed, in the first ten years the export value of agricultural products of the Palembang Residency was still below 10 million Guilders (Richter, 1911). However, after 1915, there was a sharp economic increase with the total export value of agricultural products reaching 50 million guilders in 1925. In just 20 years, Palembang's economy managed to develop five times (Wellan, 1932). In the era of 1923-1929, the economy of Palembang was in a very high conjuncture period.

The rapid production of commodities in the uluan area, makes Palembang one of the largest exporting areas on the island of Sumatra. In 1922 alone, exports of Robusta coffee from Palembang reached 3,359 tons and continued to increase to 23,530 tons in 1928 (Utrechtsch Nieuwsblad, September 16, 1929). Palembang's total export-import is equivalent to a combination of total exports and imports in Lampung, Jambi and Bengkulu regions with a variety of commodities. The average export income of Palembang commodities worth 33 million Guilders consisting of coffee commodities worth almost 50 percent, rubber by 37 percent, and wood by three percent. In addition, several export commodities cultivated or obtained from forests have also developed such as pepper, betel nut, benzoin, cotton, resin, *gambir*, fruits, tobacco, kapok and sugarcane. More than half of these commodities are exported to Singapore at 55 percent, to Java at 15 percent, other domestic ports at 9 percent and other foreign ports at twenty percent (Miksic, 1985).

Palembang's imported commodities were also the most diverse at the same time, compared to other Sumatra regions. The highest number from Java island is 25 percent, followed by Singapore at 16 percent, and the remaining 59 percent from various other international port areas. The largest imported commodity is rice with a total of about 18,593 tons (17 kilograms per capita per year). The picture above shows that there has been a global-scale interconnection and relationship between Palembang and other large regions (Miksic, 1985).

### **Interconnection and Trading Network**

From the first decade until the middle of the 20th century, agricultural and mining commodities in the uluan area increased rapidly along with the rapid market demand. Palembang, which is the capital as well as the center of all social, economic, and political activities in the South Sumatra region, has become a gathering place for all economic activities from outside and within Palembang. Moreover, this is supported by a centralized trade network in the capital Palembang so that the flow of export-import commodity crossings is concentrated in the region.

The city of Palembang not only acts as the capital of the residency politically, but also the economic capital for the entire Palembang Residency area, which in fact has been going on since the Srivijaya era, continuing the kingdom and the Palembang Sultanate. This means that the Dutch are just continuing. This also caused them to be very persistent in trying to conquer the Palembang Sultanate, so it took three devastating wars (twice won by the Palembang side) to control the capital Palembang (Wargadalem, 2017). As the trading capital, Palembang has a very strategic location, because it is widely connected to other areas around it through large and small rivers. This city is a serving center for all commodities produced in the uluan region. All produce that comes from its buffer areas such as coffee, rubber, cotton, wood, palm oil and so on gathers in the capital Palembang as the center of internal and external trade networks (Santun et al, 2010).

Commodities gathered in Palembang, then distributed to other regions (Batavia, Surabaya, Semarang, Banten, Banjarmasin, and others) and international regions (Singapore, China, India, the Middle East, America, and Europe). This multilevel trading network (starting from the interior, continuing to the capital Palembang, to the international) shows a middleman pattern or commonly referred to as a trade broker (Zed, 2003). Therefore, it can be said that Palembang is the center of trade brokerage activities that connects producers (uluan region) with distributors (capital) through markets and firms operating in the capital of Palembang Residency.



Image 4. Traditional Ship of the Uluan Society 1930  
*Source : ANRI – KIT 536/43 (2019)*

At least until 1921, there were already around 74 markets spread throughout the Palembang residency area, all of which rested on the city of Palembang. Likewise, inflows from various surrounding regions, islands in the archipelago and internationally. This growth in the number of markets is closely related to the rapid development of Palembang's economy from 1900 to 1930. Large-scale (international) traders/entrepreneurs dominate the capital-intensive economic sector through legal entities of firms and export-import companies active in the city of Palembang. These large-scale traders are not only from the European group, but also from the Chinese, Arab and Bumiputra groups who have succeeded in building their business empires in Palembang so that they can be integrated into the Palembang global trade network.

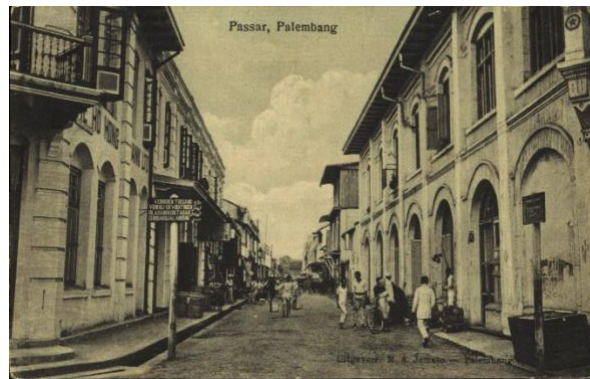


Image 5. Palembang Market  
*Source : KITLV 1407308 (2015)*

Private European companies operating in Palembang include: *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 Palembang* (shipping). These six companies are included in the group of large companies in the export-import sector of Palembang and the Dutch East Indies (Zed, 2003).

These private European companies generally acted as close partners of the colonial government. In fact, not infrequently, these government employees are entrepreneurs from these private companies. The position of these realtors was very important to the colonial government because their trading activities were a great advantage for the Dutch colonial tax revenue. Therefore, between businessmen and the government established a typical brokerage relationship, and mutual benefit from each other. Entrepreneurs have the capital to invest in Palembang, while the government has juridical power to facilitate all the access needed by the entrepreneur (administrative, regulatory, and involved in policy determination).

In addition to European private entrepreneurs, Chinese, Bumiputra and Arab entrepreneurs also exist in this trading network. Generally, major Chinese businessmen are highly respected in the export-import sector in Palembang. One of the leading Chinese companies in Palembang is NV. Palembang Rubber and NV. Hok Tong which is engaged in a global rubber trading network (its base is in Singapore) (Wargdalem and Utama, 2017). Chinese peranakan entrepreneurs also dominate the water transportation (shipping/shipping) sector, both Palembang inland routes and international routes. International routes are held by NV. *Tiong Hoa Loen Tjoen Maatschappij* who

sailed to Singapore, Hong Kong, Europe, America and *Kongsi Chu Sung Kin* served the Palembang–Manggala route. While the local route is held by the companies *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).

Some of the bumiputra companies that are well-known globally in Palembang are Haji Akil Firm and Haji Soleh Firm which are engaged in coffee trading, Haji Anang Firm is engaged in printing, Haji Ali Firm is engaged in rubber trading, and several companies 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) which are modes of transportation and transportation of local commodities (Richter, 1911). Meanwhile, ethnic Arabs also play an important role in trade, including Sayid Abu Bakar bin Ahmad engaged in sugar trading, *Assegaf Firm and Alimoenar Firm* in the field of timber trade, building materials, ice factories, rubber sap factories, and global cross-shipping (Utama, 2017).

From this trading network, it can be described the interconnection and trade relationships created from the upstream (commodity producers) to the downstream (global market) of Palembang. Various kinds of swata companies, trade partners, community plantations, and trade brokers are intertwined in creating a Palembang trading network to the international level. Of course, all of this is inseparable from the development of the 20th century world and the socio-economic transformation of Palembang. As a city that was directly exposed to global trade activities, Palembang began to transition from a traditional city to a modern cosmopolitan city. Therefore, Palembang's economic progress triggered the transformation of the city and social changes in society.

## **Cosmopolitan City**

The economic development that grew significantly during the years 1900-1930 caused many changes in the Palembang Residency. The economic surplus that hit almost all areas of Palembang made everyone, both the colonial government and the community benefit more from the results of commodity trade. Palembang, which began to be known as the *Wingewesten* region, made many people interested in coming and looking for economic luck there. This economic progress caused a massive migration wave to Palembang and had an impact on increasing the population in the city and in *Ulu*. The immigrants who come to Palembang come from different regions and ethnicities, professions and diverse skills. The crowds of Palembang migrants can be seen from the rapid growth of the population so that this area is increasingly dense and continues to increase every year (Fernanda et al, 2017). By 1914 the population of Palembang had reached around 60,000 people with a population density of 8.5 per square kilometer. (Miksic, 1985). In 1930 there was a nearly double increase in population of 109,019. The capital is also a mirror for the uluan area, which automatically also experiences significant additions (Putra and Sunarti, 2022).

The number of Europeans and indo-Europeans also increased quite sharply, reaching a range of 1,710 in 1920, and increasing to 3,837 inhabitants in 1930. The ethnic Chinese population in the same period also increased from 12,937 to 26,066 (60.6 percent). The Foreign Eastern ethnic groups (Arabs and Indians) did not increase and remained in the range of 3,148 inhabitants. The population of bumiputra increased by 31 percent from 810,353 inhabitants to 1,061,967 inhabitants. Thus, the total increase in the total population in the entire Palembang Residency



during 1920-1930 was 32.4 percent from 828,004 people to 1,096,565 people. The composition of the population of 1931 was earthlings, Chinese, Foreign East and Europe (Zed, 2003).

Palembang as a trading city, and the center of everything, increasingly shows its identity as a center for seeking economic fortune. The rapid population growth across ethnicities, and the country in Palembang shows that the economic success in this region has an effect on improving people's living standards. Palembang slowly transformed into a cosmopolitan city with a high level of socio-economic life, and cross-border community associations. In order to support its progress and demands, forcing the colonial authorities to carry out physical renewal in the capital of the residency, making this region increasingly modern and increasingly advanced according to the size of its time.

At least in the second decade of the 20th century, the colonial government began to massively carry out a project for the physical development plan of the capital Palembang. Palembang, which is actually modern in terms of economy, is very inversely proportional to the aspect of urban planning which is still very outdated and outdated. The expansion of land space became the main focus for the colonial residency government to develop this territory. The area, which is geographically dominated by lowlands, swamps, and rivers, makes the city in dire need of open land space and access to clean water. Of course, to build a more modern trading city, a lot of land space is needed to accommodate a lot of infrastructure and urban public facilities. Therefore, the Palembang residency government sent a famous colonial architect, namely Tomas Karsten, to create a master plan for the physical development of the residency capital which refers to the application of the Batavia city *landhuis* by adjusting technology, materials, and climate in the Palembang city area (Santun, 2010).



Image 6. Road of Palembang  
*Sumber: ANRI – KIT 760/27 (2009)*

The first step is to hoard the tributaries of the city. The Tengkuruk River was the first tributary to be hoarded, and served as the city's *boulevard* (highway). Furthermore, river hoarding continues to be carried out to get enough land space for the physical development of the city to proceed according to the target of the government that wants to create an indies city (Melisa, 2012).

After the need for land was considered fulfilled, development was carried out in order to meet the needs of European life, especially the Dutch. The construction of a luxurious settlement in the Talang Semut area with its retention pond so as not to be affected by flooding. They can live comfortably with all the supporting facilities, such as exclusive housing complexes, and luxury

and are directly integrated with all their daily activities (political, social, and economic). Furthermore, public facilities were built in several places in Palembang such as churches, cinemas, electrical installations, clean water, hotels, city parks, and so on (Utama, 2017). The construction of a luxury residential complex was also carried out by the BPM oil company in the Plaju and Sungei Gerong areas along with the construction of a large oil refinery there. The construction of this housing is aimed at facilitating BPM employees working at the oil refinery. BPM also builds sports fields, swimming pools, entertainment clubs, hospitals, shopping centers, and water supply to support the life activities of its employees (Tanjung, 2014).



Image 7. Tengkuruk Road (Former Tengkuruk River)  
*Source: ANRI – KIT 761/66 (2009)*

Subsequently, the colonial government began to develop the construction of mainland infrastructure such as highways, bridges, and railways. This land infrastructure development is aimed at developing trade network traffic via land, in order to facilitate the flow of commodity distribution from the uluan area (Palembang-Lahat and Palembang-Tanjung Karang / Lampung railway networks) in 1912. This can open the important economic axis in the Lematang River area to its inland area (Peeters, 1997). Ten years later, the construction of the Palembang (Kertapati) – Lampung (Tanjung Karang) and Palembang – Lahat railway lines has also been completed. The Palembang-Lahat railway network is used by the Bukit Asam Mijsteencolen (BAM) company to transport mining commodities from the uluan area to the capital Palembang (Santun et al, 2010).



Image 8. Road of Palembang – Pagaralam  
*Source : ANRI – KIT 511/80 (2009)*



Many factors of change play a role in compiling the modernization framework of Palembang, the main thing in triggering the transformation of this city into a cosmopolitan city is the change in the lifestyle of local people who have been exposed to the currents of globalization. It is not surprising that Palembang can easily grow into a cosmopolitan city, because its people have long been accustomed to transnational life. Entering the 20th century, the orientation of community exclusivity has undergone a fairly sharp shift from traditional to "Westernized". Many uluan communities (especially coffee and rubber farmers) are competing to build large and magnificent houses. Then the houses are filled with imported foreign products (especially European) as a tool to raise the degree of their lives in the eyes of other local people (Putra and Sunarti, 2022).

In addition, the use of oto ford and Whitesteam-car vehicles is also increasingly crowded in the uluan area of Palembang. By 1920, the number of private auto vehicles was not as high as 300, most of which were owned by various large companies in the uluan as well as some officials in the administrative center of the government. In 1927, the number of auto vehicles reached 3,750 units, and continued to increase until it reached 6,462 units of various types, and sizes in 1930. All of them are scattered in various uluan areas. Since then, these means of land transportation have become increasingly commonly used by most of the uluan people for personal purposes and commodity trading (Zed, 2003).

The consequence of all that, brought the inhabitants of the capital to become "international". It is not uncommon for them to consume imported products that they easily get in the markets in the city. Canned packaged food, furniture/ furniture, car bibs, silk fabrics, cigarettes, cups (high house furniture), European clothing, and so on are widely sold in Palembang stores. Advertisements for modern men's, sandals, and men's-women's clothing are displayed in local newspapers (Utama, 2017). No less interesting is when local people began to adopt a Westernized lifestyle that began to be trendy among young people such as watching cinema, sports, music, theater, and other European arts. This has become a new hobby for local people to fill their leisure time after returning home from work. They generally imitated the lifestyle of the Dutch people in particular and Europeans in general, which were increasingly in number in this city.

In addition, various social, educational, artistic and sports organizations and associations developed, including the *Verninging Inlandsche Bestuur Ambtenaar* (Malay civil servant group). A social organization that aims to maintain the harmony and welfare of the Malay people, as well as improve their economic life (Teradjoe, 23 August 1920). Also developing, an organization named Al-Ihsan Palembang which is engaged in social welfare and education (Pertja Selatan, 25 August 1926). *Djamiatul Chairiah*, *Kaum Setia*, *Darma Setia*, *Setia Mupakat*, *Familie Setia*, and *Sinoman* who work in the social field help each other with death. Tjahaja Budiman engaged in social, education and sports (Putra and Sunarti, 2022). Then there were sports groups such as Merapi Palembang (Teradjoe, 12 July 1920). Sumatra Java v.c, Sinar Palembang, Boenga Palembang, Thor, Jong Java, Diana, vv. S.K.M which is a football club (Kemoedi, 6 September 1926). Finally, the Madjoe Adil Setia association which operates in the fields of art, theatre, music and sports (Kemoedi, 28 February 1927).

The emergence of many organizations, and community gatherings in this city shows that there is a change in social, and lifestyle. All of this is inseparable from the change in the city of Palembang which was in the process of becoming a cosmopolitan city throughout the years 1900-1930. Palembang's who have been exposed to transnational culture supported by social

(multiethnic) and economic (global trade) factors have made Palembang appear successful as a cosmopolitan city that is important for the colonial government of the Dutch East Indies.

## CONCLUSION

Rapid economic growth in the early 20th century has turned Palembang into a very profitable city for everyone throughout the years 1900-1930. Of course, this progress is inseparable from the development of Palembang's global interconnection and trade network which has succeeded in connecting commodity producers (*uluan*), distributors (realtors in the city), and consumers (global markets). The shift in interest in the sultanate's commodity market to commercial export commodities has made this region increasingly in demand by the global market. The city of Palembang quickly developed into an export commodity center with capital and industrial growth that is increasingly expanding to the *uluan* area. No wonder there is a surge in population in the capital due to this very progressive economic growth. Immigrants from various ethnic backgrounds, places, and professions began to arrive crowding the city of Palembang. Economic and population development indirectly encouraged the transformation of Palembang's social identity from a maritime-traditional city to a cosmopolitan city. Economic progress, infrastructure, and social changes in society became important points in creating the identity of Palembang as a cosmopolitan city in the colonial era. The author hopes that this study can contribute to the emptiness of Palembang's historiography about the cosmopolitan city. Theoretically, this study answers the theme of modernization and social change of Palembang in the colonial period and practically tries to reconstruct the rapid development of the city of Palembang throughout the years 1900-1930. Based on the results of this study, the author tries to recommend further research themes about Palembang that can be done by other researchers, such as: Palembang rubber trading network, Palembang coffee trade network, city (*iliran*) and inland (*uluan*) trade structures in the Palembang residency, and European, Arabic, Chinese, and Malay cultural relations in Palembang's multicultural society.

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