At the beginning of the nineteenth century, Europeans decided not to wage war on one another and to establish what was called *Balance of Power*. Especially after the Congress of Vienna (1814–15), two issues became very clear. First, European wars were still and would continue to be waged outside Europe. Second, the principle of sovereignty, demanded by the peace of Utrecht in 1713, was not valid for the non-European world. While the first issue had been a major feature of European colonialism—the contest for world influence among European powers—Britain, France and Portugal—the second was to be refined even more in the nineteenth century. By then, colonialism had made deep inroads into the Islamic world in general and India in particular. This process can be divided paradigmatically into three phases: from 1820, when colonial power was already firmly established, to the 1860s, when Muslim countries struggled for recognition in the changing geopolitical reality; and, from the 1860s to 1880, when nearly all Muslim countries lost their economic and financial independence and became dependent on the Europeans. From 1880 to 1910, most of these countries—apart from those controlled by the Ottoman caliphate—were subject to direct colonial, military and political control, where economic colonialism had become political colonialism. In political subservience, the traditional urban divines, particularly theologians, were responsible for the traditional legitimisation of the ruler. At the same time Islamic repertory was gradually used as an ideology and a mobilising force by the societal formations that had become partly integrated into the gradually evolving colonial sector. In contrast to this, in the traditional agrarian

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1 The complicated issue of sovereignty is discussed with reference to international law and princely states, by Pernau: *Verfassung und politische Kultur*, pp. 33–59; similarly Jörg Fisch: *Die europäische Expansion und das Völkerrecht*, Stuttgart 1984, who challenges the unlimited nature of warfare by the colonial powers outside Europe.

2 Cf. Jamal Malik: *Colonialization of Islam*, New Delhi: Manohar 1996, Chap. I; the sectoral approach has paradigmatic character and must deviate in individual cases.
sector Islam prevailed in the form of a quasi-egalitarian peasant culture based on the institution of khanaqah and dargah, attracting so many different representatives of the increasingly complex society, particularly the service gentry, independent traders and landlords such as jagirdars, mansabdars, ta'ālluqdar. Khanaqahs and dargahs were still a major link between the central state, the middlemen and peasant society. This is not to share Charles Metcalfe’s ideal of the Rousseauian dream of an eternal and egalitarian Indian peasant society. Rather, as such, the success of Sufism primarily depended on its function to hide the contradiction between the metropolis and the countryside, between the state in its form of appropriator of surplus and its subjects and the peasants by “strategies of misrecognition”. At the same time the different and contesting cultural articulations of organised Sufiism seem to have produced for the peasants alternative identities and solidarity systems in which they could imagine themselves as conscious agents of history, as can be traced from a number of Sufi and eschatological movements. How these movements transformed into various Muslim reactions to colonialism will be dealt with in the next chapter. Below we consider the process toward colonial stabilisation.

With the help of Indian wealth and especially Bengal revenues, the East India Company consolidated its authority over Bengal and acquired further territories in northern and western India. The introduction of an anti-tenant tax system, such as the Permanent Settlement, yielded higher income. In this way, the British army manned mainly by Indians could be financed through Indian taxes and the internal borders consolidated through colonisation of virgin lands. Allies were restricted in their power, e.g., by being denied their rights to conclude treaties. This resulted in what was considered the pacified British realm, Pax Britannica. However, these new relations of dominance and property as well as the increasing economic pressure for artisans and peasants in particular fostered reaction that manifested itself in different ways and nourished the great upheaval of 1857.5

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5 Though in individual cases such as princely states, the situation might have been more complicated and ambivalent, particularly between 1800 and 1857.