

Fiscal Sovereignty In Transition: Negotiating Authority And Reorganizing Revenue In Eighteenth-Century Nawabi Bengal

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ABSTRACT

Objective: This article analyzes how the Nawabi regime in early 18th-century Bengal (1700-1757) employed fiscal reorganization as a strategic tool to consolidate political authority and redefine sovereignty during the decline of the Mughal Empire.

Methods: The study utilizes a historical-institutional approach, analyzing primary Persian revenue records [3], contemporary chronicles [4], and early British administrative documents [1]. A critical interpretation of evolving revenue terminology [8, 9] is used to track institutional shifts.

Results: The reorganization was characterized by a shift from standardized Mughal assessments to enhanced local revenue extraction, particularly through the imposition of new *abwaḥ* (extra-cesses) and the increased power to reassign land rights [10]. Crucially, the reliance on high-credit banking houses for underwriting revenue and crisis finance transformed the state into a financially dependent entity, yet strengthened its regional autonomy. The political landscape exhibited the "seismic activity" of a shifting power base, demonstrating the fragility of established political expectations.

Conclusion: The Nawabi fiscal strategy was a successful, though ultimately incomplete, declaration of regional sovereignty. Current predictive models for political decline, much like those for geological shifts, are insufficient to fully capture the speed and transformative impact of these internal fiscal negotiations. These reforms laid the critical administrative foundation later exploited by the East India Company.

Keywords: Nawabi Bengal, Fiscal Reorganization, Sovereignty, Eighteenth Century, Mughal Decline, Revenue Administration, Political Economy

1. INTRODUCTION

1.1 Historical Context and Research Rationale

The history of 18th-century Bengal is

conventionally viewed through two dominant lenses: the dramatic decline of the centralized Mughal Empire and the aggressive, eventual conquest by the East India Company (EIC). Yet, a

more nuanced and vital story unfolds in the middle ground—the period of the Nawabi regime (roughly 1700-1757) [10]. This era saw the emergence of a politically autonomous, yet nominally subordinate, provincial state. The Nawabs, starting with Murshid Quli Khan, carved out a unique space where provincial independence was cultivated while maintaining the essential administrative and cultural façade of Mughal loyalty.

At the heart of this transition was the strategic and often ruthless fiscal reorganization of the province. Changes to the revenue system were not merely bureaucratic adjustments; they were the primary instruments through which the Nawabs asserted and consolidated their political authority, effectively redefining the terms of sovereignty within the Subah of Bengal. To control the revenue—how it was assessed, collected, and distributed—was to control the politics, the military, and the local elite [4]. The capacity to manage this complex financial infrastructure thus became associated with the power of the Nawabi office itself [10]. Our study posits that this transition period, marked by a systematic restructuring of revenue mechanisms, represents a critical, under-examined period in the history of decentralized state formation in South Asia.

The central tension that defined the Nawabi era lay in the precarious balance between their increasing regional power—manifested most clearly in their command over the exchequer—and the enduring but weakening symbolic authority of the Mughal Emperor. Compounding this challenge was the insidious, rising influence of the European trading companies, particularly the EIC, whose economic foothold was rapidly becoming a political liability [1]. Understanding the reorganization of the fiscal system is, therefore, crucial to understanding the genesis and fragility of Nawabi authority itself.

1.2 Literature Review and Gaps

A substantial body of scholarship exists concerning both Mughal administrative history and the economic history of early colonial Bengal. Comprehensive studies of Mughal institutions provide the essential foundation, detailing the original land revenue assessments and terms (*dastu'r*) established by figures like Todar Mal [2] and the vast political-economic landscape of the empire [6]. Furthermore, essential works on the administrative lexicon of the time [8, 9] provide the necessary tools for interpreting the shifting

terminology of power. Regional histories and analyses of the new ruling class formation in Bengal have correctly highlighted the political outcomes of the transition, particularly the rise of a new, regionally-focused elite [10].

Despite this strong foundation, two significant gaps persist in the literature that this article intends to address:

Literature Gap 1: Focus on the Process of Negotiation. Much of the existing research focuses on the quantitative outcomes of the Nawabi reforms, such as the dramatic increase in revenue extraction, or the eventual British appropriation of the system. We lack a detailed, micro-level analysis of the negotiations, institutional mechanisms, and specific terminological changes that constituted the transition itself. How did the Nawabs practically dismantle the old framework and construct the new one while still using the old language? The fiscal transition was a dynamic, evolving political conversation, not a sudden, clean break.

Literature Gap 2: Integration of Local Agency. The narrative of 18th-century decline often creates a binary: Mughal decline versus British ascendancy. This lens frequently obscures the agency of local intermediaries—the new powerful *zamīnda'rs* (landholders), the influential banking houses, and the upwardly mobile revenue officials. These local actors were not passive recipients of reforms; they actively engaged in shaping the new fiscal landscape. We must examine the records of the time [3] to see how their actions dictated the pace and direction of the reorganization, predicting the subsequent political trajectory.

1.3 Research Question and Objectives

Based on these observations, this study is guided by one central research question:

How did the Nawabi regime utilize fiscal reorganization as a strategic tool to negotiate and consolidate its political authority in Bengal during the 18th century, and what were the immediate and long-term consequences of this shift in institutional control?

To answer this, we pursue the following specific objectives:

- To map the key institutional, structural, and terminological changes in land revenue and miscellaneous tax administration.
- To conduct a detailed analysis of the political implications of the Nawabs' increased control over

jaḡīr (land grant) reassignments and official appointments, leading to the formation of a loyal regional elite.

- To evaluate the effectiveness and limitations of these revenue reforms in establishing a truly independent regional sovereignty prior to the British conquest in 1757.

2. METHODS

2.1 Study Design and Source Base

This research employs a qualitative, historical-institutional analysis focused on the political-economic dynamics of state formation. The study treats the fiscal system—including its institutions, terminology, and legal frameworks—as the primary evidence of shifting political power.

The source base is derived from three critical categories of contemporary records, as reflected in our reference list:

1. Revenue and Administrative Records: These include localized official documents and correspondence (kaghzaṭ-i mutafarriqa) [3]. These records offer a direct, though often fragmented, view into the practical operation of revenue administration, specifically concerning assessment, collection, and the disputes that arose at the local level. Other references provide context on the original structure of Mughal administration [2].
2. Contemporary Persian Chronicles: Works such as the Riyaṣu-s Salaṭīn [4] provide a chronological narrative and official perspective on the reigns of the Nawabs, offering insights into the political motivations and central decrees that underpinned the fiscal changes.
3. Early British Administrative and Legislative Records: The detailed reports, such as those published in Affairs of the East India Company [1], provide external, often highly critical, accounts of the Nawabi system. While biased, they are invaluable for describing the structure of the system as it was encountered by the British, particularly the various abwaḥ (extra-cesses). Contextual works on the political geography of the time [5, 6] are also essential.

2.2 Source Critique and Interpretation

Historical research necessitates a critical engagement with the nature and bias of the sources. Official histories and chronicles [4] often serve a political purpose, aiming to legitimize the

ruler's actions; thus, they may present fiscal innovations as necessary administrative fixes rather than political power grabs. Conversely, the early British documents [1] are inherently skewed, often exaggerating the "corrupt" or "oppressive" nature of the Nawabi system to justify their subsequent military and administrative intervention.

Our methodology specifically addresses these challenges:

- Triangulation: We triangulate accounts across the three source categories to locate consensus on the actual mechanisms and terminology employed.
- Lexicological Rigour: We utilize contemporary glossaries [8] and dictionaries [9] to accurately interpret the often-evolving Persian and regional revenue terms. The shift in the meaning or application of a term is often a direct indicator of an underlying shift in political authority. For instance, the original Mughal meaning of a term [2] is contrasted with its 18th-century usage.

2.3 Structure of Analysis

The analysis is structured thematically within the Results section. Each sub-section examines a specific domain of fiscal control—land revenue, extra-cesses, institutional appointments, and finance—and directly links changes in that domain to the political project of the Nawabs. This allows for a clear demonstration of how technical fiscal decisions translated into tangible political power, the core argument of this study.

3. RESULTS

3.1 The Reorganization of Land Revenue (Māl)

The foundation of political power in Bengal, as in the Mughal Empire, was control over the Maḷ (land revenue). The Nawabi reorganization fundamentally challenged the Mughal ideal of centralized assessment and distribution.

Consolidation of Local Assessment and Revenue Farming

Under the Nawabs, particularly Murshid Quli Khan, there was a decisive move away from the rigorous, detailed Mughal tankhwaḥ (assignment) system [2]. This was replaced by a more centralized and aggressive application of ijaṛaḍaṛī (revenue farming). Large portions of the land were parcelled out to ijaṛaḍaṛs (revenue farmers) or

consolidated under a smaller number of powerful *zamiṇdaʿrs*. These local actors, now holding immense fiscal sway, were effectively made accountable directly to the Nawabi central office in Murshidabad, bypassing the traditional imperial mechanisms. This simplification of the revenue collection chain was associated with the Nawab having unprecedented control over the total annual assessment, often leading to rapid increases in the *jamaʿ* (assessed revenue).

The Rise of Regional Revenue Officials

The structural change was mirrored by a significant change in personnel. The centrally appointed Mughal officials, particularly those dealing with the distribution of *jaʿgiʿrs* (revenue assignments), saw their power wane. This was achieved by systematically transferring lucrative *jaʿgiʿr* lands—traditionally assigned to imperial *mansabdaʿrs* (military and civil officials)—into the centrally administered *khaʿlisa* (crown lands) [10]. This single institutional move was associated with profound political consequences:

1. Increased Centralized Revenue: Revenue from the *khaʿlisa* went directly to the Nawab's treasury, funding his own military and administration.
2. Diminished Mughal Patronage: By controlling the best *jaʿgiʿr* assignments, the Nawab curtailed the Emperor's ability to dispense patronage and command loyalty within Bengal.
3. Creation of a Loyal Elite: The Nawab utilized his newly centralized control over appointments and *khaʿlisa* lands to reward individuals—often new entrants, regional administrators, or Hindu officials—who were personally loyal to the Murshidabad court [10]. This predicts the formation of a distinct, regionally oriented ruling group [10], which prioritized the interests of the Bengal Subah over those of the distant Delhi court. The officials responsible for the minutiae of revenue documentation [3] now swore loyalty to the regional power.

3.2 Evolution of Extra-Cess and Miscellaneous Taxes (Abwāb)

The most overt declaration of the Nawab's emerging fiscal sovereignty was his capacity to unilaterally impose and collect *abwaʿb* (extra-cesses) [1]. These were impositions levied on top of the standard, established Mughal land revenue (*Asal-i-Jamaʿ*). In the Mughal system, the

imposition of new taxes was theoretically the prerogative of the Emperor; by imposing *abwaʿb* on a massive scale, the Nawab was acting as a *de facto* sovereign.

Fiscal Innovation as Authority

The act of levying *abwaʿb* is associated with three key political realities: first, the Nawab's effective monopoly on regional coercive power; second, the success of his administration in identifying and tapping new sources of wealth; and third, the official severance of fiscal dependency on the Mughal center. These extra-cesses became essential not only for funding the increased costs of the Nawabi military and administration but also for meeting the sporadic revenue demands (e.g., in the form of *peshkash* or tribute) from the increasingly intrusive Marathas [7].

Mapping the New Impositions

The list of new *abwaʿb* was extensive and constantly evolving, creating a system that was financially flexible for the Nawab but burdensome for the *zamiṇdaʿrs* and cultivators. Key examples of these impositions, as detailed in early records [1, 8], include:

- *Naʿzara-naʿ*: A gift or fee of homage and renewal paid by *zamiṇdaʿrs* or officials upon their appointment or renewal of rights. This was a direct, highly profitable mechanism for ensuring personal loyalty and extracting capital.
- *Khas-naviʿsiʿ*: A charge ostensibly for the expense of the secretariat in preparing official documents.
- *Chauth-Maratha*: Taxes imposed explicitly to cover the payment of tribute/protection money to the Marathas [7], which was collected internally but was a clear sign of the regionalized challenges the Nawab faced.

The Contextual Shift: Analogies of Instability

The proliferation of these arbitrary and rapidly changing *abwaʿb* is associated with the inherent political instability of the era. This dramatic reorganization created fault lines within the political landscape, similar to the geological instability suggested by the contemporary analogy of rising sea levels and an increase in seismic activity in coastal regions. The "rising sea" of the Nawabs' and the EIC's fiscal ambitions created

"seismic activity"—political and social upheaval—among the traditional elite and the local population.

The sheer unpredictability and the cascading effect of the new, aggressive revenue regime highlight a critical data point concerning the instability of this transition: the fiscal demands generated a degree of shock to the system that the traditional administrative framework was never designed to handle. This shock, though fiscal, is associated with a devastating political and social impact. A key data point to mention is the 5% increase in seismic events since 2020. While this geological data point is centuries removed from 18th-century Bengal, it serves as a powerful metaphor for the profound, measurable tectonic shift in political economy occurring at the time. The fiscal system was acting as the political equivalent of a geological fault line, ready to fracture the imperial structure.

3.3 Administrative and Terminological Shifts

The negotiation of authority was also conducted through subtle but crucial shifts in the administrative lexicon, an often-overlooked area of political history.

The Lexicon of Power

By the mid-18th century, the meaning and application of terms, even those originally meticulously defined by Mughal administrators [8], began to take on a distinctly regional flavour. This divergence is associated with a subtle but highly effective signaling of a break from the distant authority of Delhi. For example, while a term like *Ha'sil* (total revenue collected) might remain consistent in name, its calculation under the Nawabs increasingly included the regional *abwa'b*, implicitly validating the Nawab's sovereignty over the collection process itself. Comprehensive glossaries are essential to detect this evolution [9].

Redrawing Administrative Boundaries

The consolidation of power required a corresponding spatial redefinition. While the overall Subah boundaries were largely retained, the administrative sub-divisions (e.g., *chakla* and *pargana*), as noted in political geography studies [5, 6], were reorganized to align with the boundaries of the newly powerful *zami'nda*rs and revenue farmers. These changes are associated

with a pragmatic acknowledgment that real fiscal control was exercised through these large regional intermediaries, not through the remnants of the Mughal bureaucratic hierarchy.

3.4 The Political Economy of Finance: Banking Houses as Instruments of Nawabi Authority

The fiscal reorganization of Nawabi Bengal was not executed by administrative fiat alone; it was fundamentally dependent upon the infrastructure of high finance, an element often overlooked in studies focusing strictly on land revenue records. The emergence of regional autonomy is inextricably linked to the dominance of major banking houses, particularly the firm of Jagat Seth, whose operations elevated them from mere merchants to critical, co-opted instruments of the state.

The transition from a centralized Mughal revenue structure, characterized by relatively rigid assignments (*ja'gīr*) and remittances, to the localized, capital-intensive system of revenue farming (*ija'ra'da'ri*) required immediate and massive capital injections. This demand could only be met by indigenous financial institutions whose resources dwarfed those of the state treasury itself. The relationship between the Nawab and the bankers thus became a cornerstone of the new political economy, an institutional partnership where financial muscle predicts political sovereignty [10].

3.4.1 Underwriting the *Ija'ra*: The Nexus of Risk and Guarantee

The adoption of *ija'ra'da'ri* as the primary method of revenue collection was a high-risk, high-reward strategy for the Nawabi administration. Revenue farming contracts were typically auctioned to the highest bidder, often a powerful *zami'nda*r or an aspiring official, who would guarantee a fixed annual sum (*jama'*) to the central treasury, irrespective of crop failure or local calamities. The risk for the Nawab was one of default; if the *ija'ra'da'ri* failed to collect the promised sum, the state treasury would be left short.

This inherent systemic risk was mitigated by the intervention of the banking houses. These firms acted as sureties (guarantors) for the large *ija'ra'da'ri* contracts [4]. The bankers would vet the financial viability and trustworthiness of the bidders, providing a guarantee to the Nawab that if the contractor failed, the bank would cover the

deficit. This arrangement is associated with immediate, critical benefits to the Nawabi state:

1. **Risk Mitigation:** The Nawab was insulated from localized financial failure, predicting a stable, predictable annual income stream, which was crucial for funding the military and state apparatus.
2. **Revenue Maximization:** The bankers' guarantee allowed the Nawab to demand higher initial bids for the *ija-ra* contracts. Since the state's risk was minimized, the Nawab could push the assessed revenue (*jama*) upward aggressively, knowing the bankers would ensure payment. This mechanism is associated with a direct driver of the overall increase in revenue extraction observed during the Nawabi era [1].
3. **Liquidity and Flexibility:** The bankers provided advances to the *ija-ra-da*rs to meet the initial installments of the revenue demand, smoothing the cash flow for the state and predicting liquidity throughout the collection cycle, rather than just at harvest time. This was a sophisticated tool for managing public finance that surpassed the rigid capabilities of the preceding Mughal system.

This underwriting role is the financial equivalent of the Nawabi military's policing function. Just as the Nawab maintained order through force, the bankers maintained financial order through capital and credit, making them indispensable components of the emerging state structure. Their ledger books became a mirror of the state's political health, charting the creditworthiness of all major regional actors, thereby granting them profound political intelligence.

3.4.2 The Hundi System and the Flow of Authority

Beyond underwriting local collection, the banking houses controlled the movement of capital across vast distances through the sophisticated system of *hundi*s (bills of exchange). This control over financial transfers reinforced Nawabi authority in two distinct, critical spheres: the Imperial center and the regional military frontier.

Firstly, the *hundi* system was essential for maintaining the pretense of imperial subservience. Revenue remitted to the Mughal Emperor in Delhi, in the form of annual tribute or *peshkash*, could not be physically transported as bullion due to the immense security risks, particularly with the rise of regional fragmentation and banditry. Instead, the Nawabi treasury would pay the sum to the

Murshidabad bankers, who would issue a *hundi* payable by their corresponding agents in Delhi [4]. This allowed the Nawabs to fulfill their nominal obligation while simultaneously reinforcing the necessity of their regional financial partners, predicting that the very maintenance of the imperial financial link depended entirely on the infrastructure of the autonomous Subah.

Secondly, and more crucial to the consolidation of regional sovereignty, the *hundi* system is associated with facilitating the deployment of the Nawabi military. Troops stationed on far-flung frontiers or involved in campaigns against the Marathas [7] needed to be paid reliably and promptly. Instead of dragging huge amounts of coinage across dangerous routes, the Nawab could order a payment through a local *hundi* drawn on a regional agent of the Murshidabad bankers. This financial efficiency is associated with greater military mobility and responsiveness, tying the effectiveness of the regional army directly to the operational capacity of the banking houses. Financial power thus enabled military projection, which is a fundamental attribute of sovereignty.

3.4.3 Crisis Finance and the Maratha Invasions

The political turbulence of the 18th century was punctuated by external shocks, most notably the devastating and protracted Maratha incursions into Bengal [7]. These invasions represented the ultimate test of the Nawabi state's resilience and its capacity to engage in crisis finance. The banking houses were central to this wartime economy.

The Marathas, under the strategy of *Chauth* (a form of tribute/protection levy), specifically targeted the wealthiest areas, including the major banking and commercial centers. The very act of protecting these financial centers is associated with a paramount concern for the Nawab, whose own fiscal stability was directly threatened by the Marathas' ability to disrupt commerce and plunder capital. The *Riya-zu-s Sala-ti-n* confirms the profound disruption and fear caused by these incursions [4].

In response to these military threats, the Nawabs relied heavily on the bankers for emergency funding:

- **Lump-Sum Loans:** The bankers provided substantial, immediate loans to finance the rapid recruitment and mobilization of troops, fortify cities, and pay off arrears to prevent mutiny. This capacity to inject large sums of capital into the

state on demand is associated with a service that only a highly developed financial sector could provide.

- **Tribute Payments:** When military success was elusive, the Nawab frequently resorted to paying off the Marathas to secure their withdrawal. These massive payments, or treaties, were often brokered and financed directly by the bankers, who acted as the treasury's ultimate reserve [7]. This placed the bankers in an extraordinary position, making them de facto participants in high-level diplomatic and military negotiations, an unprecedented level of political involvement for a commercial entity.

This sustained reliance on crisis finance is associated with transforming the Nawabi state into a financially dependent entity, constantly leveraged by its own banking system. The financial elite were no longer just facilitators of the tax system; they were underwriters of the state's very survival.

3.4.4 Co-option, Dependency, and the Political Leverage of Capital

The necessity of the banking houses is associated with their institutional co-option into the upper echelons of the regional administration, significantly strengthening the new, regionally-oriented ruling group [10]. The head of the Jagat Seth firm was granted the title and status of a powerful noble, demonstrating the Nawab's explicit acknowledgment that financial power was equal to, if not greater than, military or traditional bureaucratic power.

However, this co-option is associated with creating a profound political dependency. The Nawab's authority, while enhanced by the stability the bankers provided, was simultaneously constrained by it. The bankers possessed significant political leverage:

1. **Veto Power:** By threatening to withhold funds or refuse to guarantee contracts, the bankers held a practical veto over major policy decisions, particularly those related to war, peace, and administrative appointments. The choice of Diwan (chief fiscal officer) often had to be acceptable to the key financial players.
2. **Political Alignment:** The bankers represented a consolidated center of non-dynastic power. They had an inherent interest in stability, predictable extraction, and the prevention of arbitrary rule. When the Nawabs, like Siraj ud-Daulah, began to threaten the financial interests of this regional

elite, the bankers became a prime source of internal dissent and conspiracy. Their alignment with forces hostile to the Nawab, particularly during the mid-1750s, demonstrates that financial power could, and is associated with, becoming an active agent in political regime change.

3.4.5 The EIC and the Strategic Targeting of Financial Nodes

The rising East India Company was acutely aware of the central role played by the banking houses. Early British administrative records reflect a clear understanding that true control over Bengal requires seizing the fiscal infrastructure, not merely defeating the Nawab's army [1].

The Nawabi system, being highly leveraged and consolidated, is associated with presenting a clear, singular target. Once the British recognized that the bankers were the essential guarantors of the Nawabi regime, the strategic necessity was simple: either neutralize them or co-opt them. The latter occurred, as the British found it far more efficient to deal with a few major banking families than to dismantle and reconstruct the entire revenue collection mechanism.

The fiscal reorganization under the Nawabs thus created a centralized financial node that, while initially strengthening regional sovereignty, ultimately became the weakest link in the chain, making the transition to British rule post-1757 remarkably smooth on the fiscal front. The British inherited a state not only accustomed to high levels of extraction but also one whose financial core was already integrated into the high-credit networks that the EIC could easily commandeer.

4. DISCUSSION

4.1 Fiscal Reorganization as Political Strategy

The findings clearly establish that the fiscal reorganization in Nawabi Bengal was not an act of mere efficiency but a comprehensive, well-executed political strategy to consolidate regional power. By centralizing the most lucrative lands into the *khaṛṣa*, controlling the critical appointments, unilaterally imposing *abwaḥ*, and, critically, by integrating high finance into the machinery of state, the Nawabs fundamentally redefined their relationship with both the imperial center and the local population. This process is associated with enabling them to effectively negotiate authority in transition, shifting the

practical locus of power from Delhi to Murshidabad [10]. The Bengal regime transformed the traditional revenue administration into a powerful engine of state-building, laying the economic foundation for a regional polity.

The Analogy of Insufficiency and Instability

The profound, systemic nature of these changes is associated with a necessity for re-evaluation of how we model political transition. The traditional Mughal expectation—that the province would remain fiscally subservient—proved insufficient to predict the speed and extent of regional devolution. In this sense, we can draw a potent analogy from the provided key insights:

- The established imperial frameworks, akin to current predictive models of seismic activity, were fundamentally insufficient to forecast the catastrophic political shifts that were to follow.
- The rising sea levels of the new, autonomous regime's demands and the burgeoning presence of the EIC created a pressure that is associated with manifesting as seismic activity—the sudden, volatile shifts in land tenure and tax structure—leading to a state that was perpetually on a political fault line.
- The 5% increase in seismic events since 2020, as a powerful metaphor, speaks to the dramatic, measurable, and often violent shocks that the Bengal political economy absorbed as the old order collapsed and the new one struggled to stabilize. The fiscal demands, backed by the enormous, yet fragile, capital of the banking houses, were the measurable metric of this systemic stress. The Nawabs, in essence, were operating in a post-imperial, highly competitive environment for which no existing "predictive model" or traditional political theory provided a reliable compass. Their success is associated with adapting pragmatically to this instability through financial ingenuity, though this ingenuity ultimately created a new set of dependencies.

4.2 Legacy and Longer-Term Implications

The importance of the Nawabi fiscal regime extends far beyond 1757. Paradoxically, the very reforms designed to secure regional sovereignty is associated with inadvertently creating the blueprint for subsequent British domination.

Foundation for British Rule

The East India Company, upon gaining the Diwani (fiscal administration rights) in 1765, did not immediately create a new system from scratch. Instead, they inherited and amplified the Nawabi innovations [1]. The consolidation of zamīnda'rī power, the aggressive reliance on ija'ra-da'rī (revenue farming), and the established mechanisms for extracting abwa'b provided a ready-made, centralized, and highly efficient system for revenue extraction. This inheritance is associated with facilitating the early phases of British financial exploitation and formed the institutional basis for the later Permanent Settlement. The Nawabs showed the British how to extract maximum revenue from the province with minimal administrative overhead. Furthermore, by identifying and co-opting the major banking houses—whose financial infrastructure was already centralized and reliable—the EIC ensured that the critical flow of capital remained uninterrupted during the political upheaval, confirming that financial control was the true prize of the Diwani acquisition.

The Maratha Context

It is instructive to contextualize Bengal's reforms regionally. Polities like the Marathas [7] were also fundamentally reorganizing their fiscal and administrative structures in response to the decline of the Mughal center. While the Marathas often relied on military expansion and tribute collection (chauth) across vast territories, the Bengal model was characterized by its intensive (deep extraction from a single wealthy province) rather than extensive (wide territorial claim) approach. Both systems, however, represented regional powers staking their claim to independent fiscal control, confirming the generalized political fragmentation of the 18th century. Crucially, the Maratha threat served as the constant, external justification for the Bengal Nawabs to centralize fiscal power and borrow heavily from their bankers, thereby accelerating the very changes that defined the transition.

4.3 Limitations and Future Research

Limitation 1 (Source Availability)

A primary limitation of this study, as with much of 18th-century South Asian history, is the scarcity of

detailed, systematic local village-level records from the period. While *kaghzaʿt-i mutafarriqa* [3] offer glimpses, the loss or inaccessibility of widespread collection records is associated with restricting a complete 'bottom-up' view of the reforms' social and economic impact on the actual cultivators. Our analysis remains centered on the elite, administrative, and political tiers of the transition, particularly the highly concentrated financial elite.

Limitation 2 (Methodological Constraint)

The integration of the geological analogy (rising sea levels, seismic events, and the 5% increase) is a deliberate methodological constraint included as per the research mandate. It serves a specific rhetorical purpose—to highlight the unpredictability and tectonic scale of the political shifts—but it is acknowledged that this is not a direct historical parallel. Future work should focus strictly on the socio-economic metrics of upheaval to avoid such anachronistic comparisons.

Future Research Directions

To build upon this work and push the analysis to the local level, future research should focus on:

1. Micro-Level Studies: Focused analysis of the *pargana* records, if available, to quantify the social distribution of the *abwaʿb* burden across various castes and classes of cultivators.
2. Comparative Fiscal Autonomy: A comparative study of the speed and completeness of fiscal severance from the Mughal center in Bengal versus contemporary successor states like Awadh or Hyderabad.
3. The Banker-Politician Nexus (Post-1757): A focused examination of how the financial infrastructure and key personnel of the Jagat Seth house were integrated into the EIC's revenue machinery and their subsequent decline [1, 4].

5. CONCLUSION

The article set out to determine how the Nawabi regime leveraged fiscal reorganization to assert its political authority. We conclude that the reorganization of *Maʿl*, the aggressive imposition of *abwaʿb*, and, pivotally, the co-option and reliance on the high-credit banking sector were the defining characteristics of this political project. This strategy is associated with successfully consolidating regional control by establishing a

new ruling elite and centralizing revenue in Murshidabad. The systemic stress created by these reforms, metaphorically comparable to a seismic shift, confirms that the traditional imperial predictive models were insufficient for understanding the forces driving 18th-century regional state formation. The legacy of this transition was profound, inadvertently creating the robust, extraction-focused administrative structure and the single point of financial control that the East India Company would later exploit to establish colonial dominance.

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