The Hidden Economic Cost of Sharia

An Economist's Concerns with Islamic Finance, Halal Markets, and Parallel Institutions with Policy Considerations for Discussion

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Executive Summary

Sharia is not merely a set of private observances. Where it enters the marketplace it carries rules with measurable economic effects — on how credit is priced, how food is produced and labeled, and how capital is organized. This paper examines three of those effects through a free-market lens and reaches one through-line: the defensible response is to separate Sharia from protected religion, not to single out a faith, but to insist on **transparency, neutral rules, and informed choice**, with no special treatment in either direction. Framed that way, the strongest reforms are also the ones likely to survive in court.

- **Finance.** Sharia-compliant finance sells *synthetic interest* under a "riba-free" label — the economic substance of a loan, dressed as a sale or lease. The remedy is religion-neutral truth-in-advertising and uniform cost-of-credit disclosure.[1]
- **Halal markets.** The concern with the strongest genuine third-party substance is animal welfare in non-stun slaughter. The neutral remedy — a universal humane-slaughter standard and honest method-of-slaughter labeling — applies equally to kosher, and in fact may reach kosher more.[2] This paper concentrates on the strongest, best-documented claims and sets aside seemingly weaker (or at least less documentable) ones that invite easier rebuttal — a discipline that makes the case harder to dismiss.[3]

[1]Mahmoud A. El-Gamal, Islamic Finance: Law, Economics and Practice (Cambridge University Press, 2006). El-Gamal — Chair in Islamic Economics, Finance and Management at Rice University, Houston, and a former scholar-in-residence on Islamic finance at the U.S. Treasury — argues the industry emphasizes contract form over substance and coins the term "Shariʿa arbitrage." https://assets.cambridge.org/97805218/64145/frontmatter/9780521864145_frontmatter.pdf

[2]Non-stun religious slaughter — cutting the throat of a conscious animal — is regarded by the RSPCA, the British Veterinary Association and European veterinary bodies as causing avoidable pain before insensibility. Roughly 88% of UK halal slaughter is in fact pre-stunned, whereas all kosher slaughter is non-stunned. RSPCA, 'Religious Slaughter of Animals,' https://www.rspca.org.uk/adviceandwelfare/farm/slaughter/religiousslaughter; UK Parliament (Hansard), 9 June 2025.

[3]The 2015 Australian Senate Economics References Committee inquiry into food certification found no link between halal certification and terrorism financing — AUSTRAC reported no such evidence — and described certification as a 'purely commercial exchange' supporting billions in exports, while recommending greater standardization and oversight. SBS News (24 Sept. 2015), https://www.sbs.com.au/news/article/no-halal-link-to-terror-inquiry-told/di2l8e2gz

- **Institutions.** The deeper economic critique, associated with Duke economist Timur Kuran, is that classical Islamic legal institutions impeded capital accumulation and adaptable enterprise — a caution about parallel systems, not a verdict on religion.[4]
- **Coercion.** Where states or movements impose Sharia as public law, the documented results — death for apostasy or blasphemy, the subordination of non-Muslims, the revival of slavery, sexual violence as doctrine, and the legal halving of women — are incompatible with a free society. Personal faith is protected; its imposition on others is not.[5]

Part I — Interest in Disguise: Synthetic Interest in Islamic Finance

Sharia-compliant finance ("SCF") is marketed as "interest-free." Its core retail products — cost-plus sale (*murabaha*), lease-to-own (*ijara*), and the commodity round-trip (*tawarruq*) — are engineered to deliver the same time-priced cost of money as a conventional loan. Same form, same function. The label is the deception.

What Sharia-Compliant Finance Is

Islamic law prohibits *riba* — commonly translated as interest or usury. To finance purchases without a conventional loan, SCF uses asset-based structures: in a *murabaha* the financier buys an asset and resells it at a pre-agreed markup paid in installments; in an *ijara* the financier buys and leases the asset, with ownership transferring at the end; in a *musharaka* the financier and customer co-own and the customer buys out the financier's share over time.[6]

Each is approved by a paid "Sharia board," whose certification is used to market the product to observant Muslim consumers. In the United States these products are already subject to the same consumer-protection laws as conventional mortgages — Truth in Lending, RESPA, ECOA and HMDA — which matters for the remedy proposed below.[7]

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[4]Timur Kuran, The Long Divergence: How Islamic Law Held Back the Middle East (Princeton University Press, 2011). Kuran, a Duke University economist, argues that classical Islamic legal institutions — estate-fragmenting inheritance rules, partnerships that dissolved on a partner's death, the absence of the corporation and legal personhood, and the rigidity of the waqf — impeded capital accumulation and adaptable enterprise, contributing to the region's economic divergence from Europe. Review: EH.net (2012), https://eh.net/book_reviews/the-long-divergence-how-islamic-law-held-back-the-middle-east/

[5]Pew Research Center finds roughly 22 countries criminalize apostasy and dozens more maintain blasphemy laws; per the Humanists International report summarized by the National Secular Society (2021), the death penalty for apostasy or blasphemy is available in about a dozen states, all Muslim-majority — among them Afghanistan, Brunei, Iran, Mauritania, northern Nigeria, Pakistan, Qatar, Saudi Arabia, Somalia, the UAE and Yemen. USCIRF documents that more people are imprisoned or on death row for blasphemy in Pakistan than anywhere else. Sudan abolished its apostasy death penalty in 2020, showing reform is possible. USCIRF, 'Respecting Rights? Measuring the World's Blasphemy Laws,' https://www.uscirf.gov/publications/respecting-rights-measuring-worlds-blasphemy-laws

[6]"What Is Riba in Islam," Accounting Insights (Feb. 2025), and "Riba in Islamic Finance," Faisal Khan (Nov. 2024), describing murabaha (cost-plus sale) and ijara (lease) mechanics, including the pre-agreed profit margin. https://accountinginsights.org/what-is-riba-in-islam-and-how-does-it-impact-financial-transactions/

[7]"Islamic Home Financing 101," CUInsight (Nov. 2025): Islamic home finance in the U.S. is subject to the same consumer-protection laws as conventional mortgages — TILA, RESPA, ECOA and HMDA — and

Synthetic Interest: Same Form, Same Function

These contracts take the economic substance of an interest-bearing loan — a fixed sum advanced now, repaid later for more — and dress it as a sale or a lease. The result is **synthetic interest**: the same form, the same function, and frequently a payment schedule built from the same benchmark rates a conventional lender would use. Strip away the paperwork and the customer is paying the time-value of money.

This is not a fringe view. Professor Mahmoud El-Gamal of Rice University — a Muslim economist and former U.S. Treasury scholar-in-residence on Islamic finance — argues the industry fixates on the *form* of medieval contracts while reproducing the same risk and return profile as conventional products; he calls it "Sharia arbitrage," and the literature concurs.[8][9] He compares the paid boards that bless these products to the pre-Reformation sale of indulgences.[10]

The most blatant case is commodity *murabaha*, or organized *tawarruq*: a near-instant commodity buy-and-sell-back whose only real effect is to deliver cash today, repaid at a markup tomorrow. Islam's own highest bodies say as much — in 2009 the OIC International Islamic Fiqh Academy ruled organized tawarruq impermissible, holding the pre-arranged structure a deception that contains the very riba it claims to avoid.[11]

Even providers concede the resemblance — profit rates that mirror interest rates, a distinction critics inside the industry call "superficial"[12] — and the markup is disclosed as an APR, the same yardstick as an ordinary loan.[13] That disclosure does not cure the deception; it documents it. Presumably, the purpose of banning usury is to provide a form of "economic justice" for all people. Applying interest under a different name is at minimum a religiously fraudulent practice in this sense.

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notes murabaha "functions much like a fixed debt." https://www.cuinsight.com/islamic-home-financing-101-what-every-credit-union-should-know/

[8]El-Gamal, Islamic Finance (Cambridge, 2006), as above.

[9]Rodney Wilson, review of El-Gamal, Islamic Finance, Journal of Islamic Studies 18:3 (Oxford, 2007), 466–468, summarizing El-Gamal's finding that "Islamic" products are typically re-engineered to carry the same risk characteristics and return profile as their conventional equivalents. https://academic.oup.com/jis/article-abstract/18/3/466/739952

[10]El-Gamal, Islamic Finance (2006), likens the certification role of paid 'Shariʿa Supervisory Boards' to the pre-Reformation sale of indulgence certificates — a religious imprimatur sold for a fee. Review summarizing the argument, ResearchGate (2008), https://www.researchgate.net/publication/41389596

[11]International Islamic Fiqh Academy (OIC), Resolution 179 (19/5), 19th session, Sharjah, UAE (26–30 Apr. 2009): organized and reverse tawarruq are impermissible because the pre-arranged round-trip is a deception to obtain cash and therefore contains riba. Academic summary: Ahmad et al., Int'l Journal of Management and Applied Research 4:1 (2017), https://www.ijmar.org/v4n1/17-004.html

[12]"Halal Mortgages in the US," Zoya (Mar. 2026), an Islamic-finance resource, concedes a "primary criticism" that some products closely resemble conventional mortgages, with profit rates that mirror interest rates, making the distinction "superficial." https://blog.zoya.finance/us-islamic-home-financing-guide/

[13]"Murabaha," cbonds glossary (Feb. 2026): worked example expressing the murabaha profit margin as an annual percentage rate (APR), and noting all costs and profits must be transparently disclosed to the client. https://cbonds.com/glossary/murabaha/

Truth in Advertising: The Sharpest Weapon

If the deception lives in the label, attack the label. The cleanest, most enforceable tool is not a novel fraud statute but the law against false and deceptive advertising. A seller who markets credit as "interest-free" should have to substantiate it; where the substance is synthetic interest, the claim is actionable. It targets the lie, not the believer; it is court-tested, not experimental; and it is corroborated by the sellers' own scholars.[14]

Additional disclosure grounds — and one argument set aside

A 2008 Utah Law Review article by attorney David Yerushalmi sharpens three consumer-protection hooks worth noting. First, the Truth in Lending Act and its Regulation Z require that an advertisement quoting payment terms also state an annual percentage rate; a product marketed as "interest-free" while carrying an economically equivalent profit rate sits squarely within those disclosure duties. Second, Sharia-compliant financings are typically *more expensive* than conventional ones — extra documentation, duplicate title transfers, board fees — and because they are marketed to a single religious community, that premium can implicate predatory-lending statutes such as HOEPA. Third, institutions have at times told regulators these transactions are loans with interest, for tax and banking purposes, while telling customers they are not loans at all — an internal contradiction that is itself the stuff of consumer-fraud law.[15]

In fairness to the source, the same article goes well beyond disclosure: it argues that Sharia is inseparable from a "Law of Jihad," that an issuer therefore owes investors a securities-law duty to disclose Sharia's connection to violence, and that the arrangement could expose participants to sedition (Smith Act) and racketeering (RICO) liability. That specific thesis is genuinely contested and should be weighed as such. It is rejected by the Council on American-Islamic Relations and was branded anti-Muslim by the Southern Poverty Law Center — though the SPLC is no neutral arbiter, having itself been federally indicted in 2026 on fraud charges it denies.[16] CAIR also has been labeled a terror organization not only by governors in multiple

[14]OIC Int'l Islamic Fiqh Academy, Resolution 179 (Sharjah, 2009), as above.
[15]David Yerushalmi, 'Shariʿah's Black Box: Civil Liability and Criminal Exposure Surrounding Shariʿah-Compliant Finance,' 2008 Utah Law Review 1019 (a student-edited law review). On the consumer-disclosure points adopted here: advertising a product as 'interest-free' or 'riba-free' while it carries an economically equivalent profit rate implicates Truth in Lending Act / Regulation Z APR-disclosure duties; such financings are typically more costly than conventional loans (extra documentation, double title transfers, board fees) and, marketed to a single community, may raise predatory-lending / HOEPA concerns; and institutions have represented these transactions to regulators (OCC/IRS) as loans with interest while marketing them to customers as non-loans — an internal contradiction relevant to consumer-fraud law. SSRN: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1105101
[16] Recent press reports have documented multiple concerns with SPLC's activity in funding and supporting the very people and institutions it labels as hate groups. Charges based on deceptive practices, fraud, and other criminal activity have been filed. https://www.justice.gov/opa/pr/federal-grand-jury-charges-southern-poverty-law-center-wire-fraud-false-statements-and

states (including Texas) but also by the United Arab Emirates.[17,18] Those advocacy disputes, however, are not the only or the strongest objection: no court and not the SEC has adopted the sedition, RICO, or mandatory "terror-disclosure" theory in the years since the article appeared, and the most credible academic critics of Sharia-compliant finance — El-Gamal and Kuran among them, relied on throughout this paper — press hard against the industry on economic and institutional grounds while declining the jihad framing. This paper adopts the disclosure argument, which is sound and widely shared, and does not rest its case on the broader thesis, which remains untested law (although it is worth exploring).[19]

Recommended Legislative Framework

Four religion-neutral measures. None bans a product or names a faith.

1. **Truth-in-marketing of "interest-free" claims.** Amend the Texas Deceptive Trade Practices–Consumer Protection Act to make it actionable to advertise credit as "interest-free" or "riba-free" unless the total cost of credit and an APR-equivalent are disclosed with equal prominence, placing the burden to substantiate on the seller.
2. **Uniform cost-of-credit disclosure.** Require any deferred-payment financing, however structured, to disclose a standardized APR-equivalent and total finance charge, so a "halal" product and a conventional loan can be compared side by side.[20]
3. **Equal application of law; no special accommodation.** Apply neutral, generally applicable Texas law to every contract; no party gets a different rule because an agreement is labeled religious — the same neutral approach Texas already took in family law.[21]
4. **Disclosure of paid certification conflicts.** Treat a paid certifier like any compensated endorser: disclose fees paid by an issuer to any body whose approval is used to market the product.[22]

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[17] Efforts have been made at the Federal and state levels to designate CAIR as a terror group. At least in one instance, a Muslim nation has made that declaration. https://www.congress.gov/bill/119th-congress/house-bill/4097/text

[18] https://www.washingtonpost.com/news/worldviews/wp/2014/11/17/why-the-u-a-e-is-calling-2-american-groups-terrorists/

[19] The same article also advances a far broader and more contested thesis — that Shari'ah is indivisible from a 'Law of Jihad,' that SCF issuers owe investors a securities-law duty to disclose Shari'ah's connection to violence, and that the arrangement could implicate the Smith Act (sedition) and RICO. That thesis is disputed: the Council on American-Islamic Relations rejects it, and the Southern Poverty Law Center has characterized Yerushalmi's work as anti-Muslim (the SPLC was itself federally indicted in April 2026 on fraud charges it denies, and its designations are contested). Those advocacy objections are not the only or strongest counter, however: the theory has not been adopted by any court or the SEC in the years since publication, and SCF's own prominent academic critics — including El-Gamal and Kuran, cited elsewhere here — fault the industry on economic and institutional grounds while rejecting the jihad framing. The disclosure case in this Part does not rest on it.

[20] cbonds, "Murabaha" glossary (2026), as above.

[21] Tex. Gov't Code § 22.0041 (Acts 2017, 85th Leg., H.B. 45): a facially neutral statute on the application of foreign law and foreign judgments in certain family-law actions, preserving comity and freedom to contract. https://statutes.capitol.texas.gov/Docs/GV/htm/GV.22.htm#22.0041

[22] El-Gamal, Islamic Finance (2006), as above.

Constitutional Guardrails

The one fatal mistake is focusing on a religion rather than unconstitutional or illegal practices. In *Awad v. Ziriax*, the Tenth Circuit struck down Oklahoma's amendment because it singled out Sharia by name.[23] The model that survives is facially neutral; after Oklahoma's loss the "American Laws for American Courts" template was rewritten that way and enacted in several states.[24] Keep every provision generally applicable and grounded in consumer protection — the deception, not the doctrine — and it stands.[25] As long as Courts recognize Islam as a religion protected under the First Amendment, the only successful approach is to limit unconstitutional and illegal actions taken under the banner of Sharia.

Part II — The Halal Market: Welfare, Choice, and Honest Labels

Halal compliance reaches beyond how an animal is killed — it governs which animals, what invocation, which additives, and who slaughters. But the marketplace questions worth legislating are narrow, and only one carries real weight with non-Muslims. The disciplined approach is to separate the legitimate concerns from the discrediting ones, and to keep every remedy neutral so it covers kosher and halal alike.

Animal welfare: the one concern with genuine third-party weight

Religious slaughter — both Muslim *dhabihah* and Jewish *shechita* — traditionally cuts the throat of a conscious animal. The RSPCA, the British Veterinary Association and European veterinary bodies regard slaughter without prior stunning as causing avoidable pain in the seconds before insensibility. Two facts keep the argument honest, though: roughly 88% of UK halal slaughter is in fact pre-stunned, so "halal equals cruelty" can be dismissed as an overstatement — while *all* kosher slaughter is non-stunned, meaning a neutral welfare standard actually implicates kosher more.[26]

Courts have accepted neutral welfare laws. Belgium's Flanders and Wallonia mandated pre-stunning, and both the EU Court of Justice (2020) and the European Court of Human Rights (2024) upheld the requirement, finding a fair balance between animal welfare and religious freedom.[27] In the United States, by contrast, the Humane Methods of Slaughter Act already

[23]Awad v. Ziriax, 670 F.3d 1111 (10th Cir. 2012): Oklahoma's "Save Our State" amendment, which named Sharia law specifically, was struck down as discriminatory under the First Amendment. Center for American Progress, "Foreign Law Bans" (2013), https://www.americanprogress.org/article/foreign-law-bans/

[24]The "American Laws for American Courts" model statute was redrafted after Oklahoma's loss to be facially neutral and has been enacted in several states. JURIST, "Anti-Sharia Laws" (2015), https://www.jurist.org/commentary/2015/03/steven-schwinn-sharia-law/

[25]Tex. Gov't Code § 22.0041 (H.B. 45, 2017), as above.

[26]RSPCA, 'Religious Slaughter of Animals,' as above.

[27]Belgium's Flanders and Wallonia regions mandated pre-stunning; the Court of Justice of the EU (Dec. 2020) and the European Court of Human Rights (Feb. 2024) upheld the requirement against religious-liberty challenges, holding it struck a fair balance between animal welfare and freedom of religion. Al Jazeera (17 Dec. 2020), https://www.aljazeera.com/news/2020/12/17/eu-court-rules-states-can-mandate-stunning-animals-for-slaughter

requires stunning but expressly exempts religious slaughter.[28] So the defensible American levers are a *universal* humane-slaughter standard debated openly, or — short of that — mandatory method-of-slaughter labeling. Thus, singling out halal becomes challenging at best.

Consumer choice and conscience

In shared institutional settings — schools, hospitals, prisons, some retail and fast-food supply chains — a provider sometimes sources a single line of meat for everyone, and for logistical and cost reasons that line is occasionally all-halal. Where that happens without disclosure, consumers who object — vegetarians, animal-welfare objectors, and observant Christians or others who do not wish to eat meat over which another faith's rite has been performed — lose the ability to choose knowingly. Forcing accommodation has equal free exercise implications to requiring it in this respect.

The free-market answer is not to restrict what others may buy; it is to guarantee **disclosure and an alternative**, so each person acts on their own conscience. That principle is neutral by construction — it would apply identically to an all-kosher or any other single-sourcing arrangement. The premise that such accommodation is uniquely a Muslim demand does not hold: kosher dietary accommodation is routinely sought and provided in public institutions under federal law.[29]

Certification transparency

Halal certification is a paid, third-party stamp — the food-market cousin of the Sharia board in finance. The neutral, pro-consumer reform is standardized labeling and disclosure: what the certification means, who issued it, and that the producer pays for it. This is precisely what an arms-length inquiry recommended after studying the question: clearer, standardized certification and oversight.[30]

Focusing the strongest case

The case is most powerful when it rests on what can be proven and survives cross-examination. This analysis therefore concentrates its fire on the documented core — synthetic interest, animal welfare, and institutional cost — and sets aside three popular arguments that invite rebuttal. The claim that certification fees are a hidden "tax" funding extremism was examined by an Australian government inquiry and its financial-intelligence agency and not borne out.[31] Whether an American inquiry would establish different results could be worth exploring in the form of a Texas-based study or commission.

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[28]In the United States, the Humane Methods of Slaughter Act (7 U.S.C. §§ 1901–1907) requires stunning but designates slaughter performed in accordance with religious ritual as humane, effectively exempting halal and kosher slaughter from the stunning requirement. 7 U.S.C. § 1902, https://www.law.cornell.edu/uscode/text/7/1902

[29]Accommodation of kosher diets in prisons and hospitals is routinely sought and provided under the Religious Land Use and Institutionalized Persons Act (42 U.S.C. § 2000cc et seq.), showing that demand for religious dietary accommodation in public institutions is not unique to halal.

[30]Australian Senate inquiry on food certification (2015), as above.

[31]Australian Senate inquiry on food certification (2015), as above.

Having said that, the claim that non-Muslims are "forced" to eat halal is more accurately a disclosure-and-choice question, already addressed above. And the claim that halal is uniquely imposing while kosher is not, reflects feasibility and population, not one faith's comparative aggressiveness — kosher rules are in fact stricter and harder to satisfy institutionally. Holding to the provable core is precisely what makes the rest of the argument impossible to wave away.

Part III — Parallel Institutions: The Broader Free-Market Concern

Beneath finance and food sits a deeper question an economist cannot ignore: do the institutions Sharia prescribes help or hinder free, prosperous exchange? The most rigorous answer comes not from polemics but from institutional economics.

The institutional record

Duke economist Timur Kuran argues that classical Islamic legal institutions — inheritance rules that fragmented successful estates, partnerships that dissolved automatically on a partner's death, the absence of the corporation and of legal personhood, and the asset-locking rigidity of the *waqf* — made it hard to accumulate capital, build durable firms, and reallocate resources as technology changed, contributing to the Middle East's economic divergence from Europe.[32] The thesis is influential but admittedly contested. Intellectual honesty requires saying so: some historians treat these institutions as much a product of social conditions as a cause.[33] The policy lesson does not depend on settling that debate — it is simply that the features worth worrying about are institutional (impersonal exchange, capital formation, adaptability), not devotional.

Governance without accountability

Modern Sharia advisory boards function as private, paid, quasi-regulators: their rulings determine which products may be sold and where capital may flow, yet they answer to no electorate and disclose little. El-Gamal's charge of rent-seeking is, at bottom, a governance concern — a parallel rule-making authority operating inside regulated markets with neither the transparency nor the accountability demanded of public regulators.[34]

Screening and capital allocation

Sharia investment screens exclude conventional finance, certain sectors, and highly leveraged firms. Whatever one thinks of the motive, the economic effect is neutral to describe: any religious screen narrows the investable universe, which tends to reduce diversification and can raise costs for the investor who adopts it. That is a fair efficiency observation — and an argument for disclosure so investors understand the trade-off, not for prohibition.

[32]Kuran, The Long Divergence (Princeton, 2011), as above.
[33]Kuran's thesis is influential but contested: some economic historians argue legal institutions were as much a product of social conditions as a cause, and point to the flexible use of waqfs and the de facto toleration of interest. Review, MERIP (2011), https://www.merip.org/2011/08/kuran-the-long-divergence/
[34]El-Gamal, Islamic Finance (2006), as above.

The neutral principle

The thread tying all three parts together is market neutrality. Government should neither subsidize nor privilege religiously certified products, nor specially burden them. Its proper role is to require honest disclosure and apply equal rules, so individuals — Muslim and non-Muslim alike — choose freely on accurate information. Neutrality cuts both ways: a Sharia-compliant institution should receive no special enticement or accommodation, and it remains subject to the same anti-money-laundering, counter-terror-financing, and consumer-protection obligations as any other financial actor — no more, and no less. That principle is the strongest version of the case and the one the Constitution protects best.[35]

Part IV — When Sharia Becomes Law: Coercion, Conscience, and Human Cost

One distinction governs this section. Islam as a personal faith — belief, worship, prayer, diet, dress — is generally considered to be protected as religion under the Constitution. Sharia as a comprehensive legal code **imposed by a state or enforced through coercion** is a different thing. No person has a free exercise right to impose a legal code on a neighbor; that is barred by the Establishment Clause. The harms catalogued below flow not from private devotion but from compulsion — and they are documented by the United Nations, the U.S. Commission on International Religious Freedom, and the leading human-rights monitors. Where Muslims themselves condemn these practices, that is noted, because it underscores the point: the enemy of a free society is the coercion, not the believer.

It is worth saying plainly that who tends to sound the alarm are evidence that this approach is not anti-religious. Some of the clearest-eyed critics of political Sharia are Muslims and former Muslims who fled the regimes that enforce it. Having lived under apostasy courts, religious police, or the legal subordination of women, they are often first to warn against granting religious law any public authority in their adopted country. Their testimony is first-hand, and it makes the central distinction concrete: the concern is a system of compulsion, not those who practice Islam peacefully — many of whom came to America precisely to escape that compulsion.

Death for conscience: apostasy and blasphemy

A subset of states that govern by classical Sharia make leaving Islam, or insulting it, a capital matter. Roughly twenty-two countries criminalize apostasy and dozens more maintain blasphemy laws; the death penalty is available for one or the other in about a dozen states, all Muslim-majority, and Pakistan holds more people in prison or on death row for blasphemy than any nation on earth.[36] The contrast is exact and fair: the Mosaic code carries capital statutes too, but no Jewish or Christian state enforces them today, while these are enforced now. A

[35]Church of the Lukumi Babalu Aye v. City of Hialeah, 508 U.S. 520 (1993): ordinances targeting a religion's animal-slaughter practice were unconstitutional because they were neither neutral nor generally applicable. A law aimed at a religious practice for disfavor fails; a neutral, generally applicable law does not.

[36]USCIRF; Pew; Humanists International (2021) on apostasy/blasphemy laws, as above.

regime that can execute a citizen for changing his mind cannot sustain free conscience, free inquiry, or the human capital that follows them — persecution drives out the educated and the dissenting. That this is reversible is shown by Sudan, which abolished its apostasy death penalty in 2020.

Subordinating non-Muslims: dhimmi status and the jizya

Under classical Islamic rule, non-Muslims were tolerated as 'dhimmis' — subordinate subjects who paid the jizya, a poll tax marking inferior legal standing. Where that framework is revived as law, non-Muslims are taxed and ranked by faith. ISIS reinstated the jizya explicitly, using it as a ruse before seizing property and lives anyway.[37] Discriminatory taxation and a legally second-class citizenry are not only moral wrongs; they are a direct drag on any economy, penalizing enterprise by creed.

Welfare and aid fraud: jizya inverted

There is also a distinctly economic threat here, and it deserves the same precision as the rest of this paper. Jizya was historically a tax that non-Muslims paid to an Islamic state in return for protection.[38] Modern jihadi ideologues has turned that idea on its head — recasting the welfare and benefits of Western states as wealth owed to them, a kind of tribute or 'spoils' to be taken from non-believers. This is not traditional religious Islam: theft and fraud are plainly condemned, and many scholars hold that a Muslim who lives under a state's protection is bound not to betray it. But the current reading has been preached openly — and acted upon.

In Britain, the cleric Anjem Choudary — later imprisoned for inviting support for ISIS — was filmed urging followers to claim a 'Jihad Seeker's Allowance,' telling them, 'the normal situation is for you to take money from the kuffar.' ISIS put the same instruction in writing: its 2015 manual How to Survive in the West advised that 'if you can claim extra benefits from a government, then do so.'[39] It has been acted upon: a Birmingham council acknowledged paying housing benefit to Anouar Haddouchi while he fought for ISIS in Syria, money that helped fund his journey, and Denmark found roughly two dozen citizens drawing disability and pension benefits as unfit to work before they left to fight. Britain's former independent reviewer of

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[37]Under classical Islamic rule, non-Muslim 'dhimmis' were tolerated as subordinate subjects on payment of the jizya, a poll tax marking inferior legal status. ISIS revived the jizya and the dhimmi framework; the Hudson Institute documents it being used as a 'ruse' before property and lives were taken. Hudson Institute, 'The Islamic State's Christian and Yizidi Sex Slaves,' https://www.hudson.org/national-security-defense/the-islamic-state-s-christian-and-yizidi-sex-slaves

[38]Jizya: a per-capita tax levied historically on non-Muslim subjects (dhimmis) in states governed by Islamic law, in return for protection and exemption from military service. Encyclopaedia Britannica, 'Jizyah,' https://www.britannica.com/topic/jizya

[39]Cases of Western welfare exploited to support jihadist activity are collected in 'European welfare benefits help fund ISIS fighters,' KHOU/TEGNA (2017): radical cleric Anjem Choudary urged followers to claim a 'jihadi seeker's allowance' (he was filmed by The Sun in 2013 saying 'the normal situation is for you to take money from the kuffar'); ISIS's 2015 manual How to Survive in the West advised, 'if you can claim extra benefits from a government, then do so'; a Birmingham council acknowledged paying housing benefit to Anouar Haddouchi while he fought for ISIS in Syria; and Denmark found roughly two dozen citizens drew disability/pension benefits as unfit to work, then left to fight. https://www.khou.com/article/news/european-welfare-benefits-help-fund-isis-fighters/285-413748194

terrorism legislation warned that hundreds of thousands of pounds in small benefit remittances had, one way or another, financed terrorism.[40]

The same logic scales up to organized aid fraud. In 2024 the U.S. Department of Justice charged a Syrian NGO director, Mahmoud Al Hafyan, with diverting more than $9 million in U.S.-funded humanitarian aid to the al-Nusra Front — an al-Qaeda affiliate — by falsifying beneficiary lists and selling relief supplies, in what USAID's inspector general called one of the most significant such diversions it had investigated.[41]

The economic point is straightforward: a benefits or charity system that cannot detect this leakage can end up underwriting the very movements it opposes. The remedy is again religion-neutral — tighter eligibility verification, monitoring of benefits paid to claimants who leave the country, and the same anti-fraud and counter-terror-financing controls that already bind every claimant and every charity. The target is fraud and those who preach it — not the millions of Muslims who claim only what they are entitled to, and who condemn those who abuse the system. Given the importance, the money involved, and the documented examples globally reinforced by public declarations, this provides an opportunity for further state study and law enforcement fraud investigation.

Slavery, revived

Classical Islamic law permitted slavery and concubinage. The practice lingered in some Sharia-governed states into the 1960s, and Mauritania did not criminalize it until 1981. Then ISIS revived chattel and sexual slavery outright, boasting of it in its own propaganda and grounding it in Sharia.[42] Dozens of mainstream Muslim scholars answered that the reintroduction of slavery is forbidden in Islam by consensus — which is precisely why its revival is the signature of coercive extremism rather than of the faith for those who oppose its practice. Yet, the fact remains that multiple authoritative scholars and sources support its inclusion as part of Sharia.

Sexual violence as doctrine

This is the documented core of the gravest charge. The United Nations found that ISIS committed genocide against the Yazidis, including an organized system of sexual slavery that

[40]Lord Carlile of Berriew, the U.K.'s former independent reviewer of terrorism legislation, warned that 'several hundred thousand pounds in small remittances' had been used to fund terrorism and urged monitoring of housing benefit paid to claimants who leave the country. Birmingham Post (15 Dec. 2016), https://www.pressreader.com/uk/birmingham-post/20161215/281956017424646

[41]U.S. Department of Justice, 'Syrian National Charged with Diverting $9 Million in U.S.-funded Humanitarian Assistance to a Terrorist Organization Affiliated with Al-Qaida,' U.S. Attorney's Office for the District of Columbia: Mahmoud Al Hafyan was charged in a 12-count indictment with diverting USAID humanitarian aid to the al-Nusra Front by falsifying beneficiary lists and selling relief supplies, in what USAID-OIG called one of the most significant such diversions it had investigated. https://www.justice.gov/usao-dc/pr/syrian-national-charged-diverting-9-million-us-funded-humanitarian-assistance-terrorist

[42]Classical Islamic law permitted slavery and concubinage; the practice persisted in some Sharia-governed states into the 1960s, and Mauritania did not formally criminalize it until 1981. ISIS openly revived chattel and sexual slavery citing Sharia — prompting dozens of mainstream Muslim scholars to respond that the reintroduction of slavery is forbidden in Islam by consensus. Int'l Journal of Human Rights (2018), https://www.tandfonline.com/doi/abs/10.1080/13642987.2018.1495195

the group codified and 'proudly and explicitly justified' on its reading of the Qur'an and Hadith — a theology of rape enshrined as policy.[43] Separately, evidentiary standards in some applications of Sharia — requirements that have led rape victims to be charged with adultery — have compounded the injury to women rather than protecting them. 'Rape' is not a caption in a legal text, but the rules and their enforcement have permitted, excused, and even sanctified it. That is the truth, stated plainly.

Forced and child marriage

Some Sharia-based personal-status codes set a low minimum marriage age, or none, and forced and child marriage are documented across a band of jurisdictions. Whatever the religious justification offered, a marriage imposed on a child is a crime against that child, full stop, contrary to the Constitution.[44]

A woman's standing

Classical jurisprudence and several contemporary personal-status codes fix a woman's legal worth below a man's: her testimony counted as half his in certain matters, a daughter's inheritance set at half a son's, her autonomy bounded by male guardianship.[45] A system that codifies a woman as half of a man is not, in that respect, the free exercise of religion; it is systematic subordination, and in America it would be flatly unconstitutional. Part of the cost is economic — discounting or excluding half a population is a measurable brake on growth — and part is simply a matter of equal dignity that a free society does not trade away.

The ideology of conquest — and the line a free society draws

A distinct strand of Islamist thought treats presence in the West not as settlement but as a stage toward eventual dominance, and its proponents say so in their own words. ISIS issued explicit calls for *hijra* — migration to its self-declared caliphate — as a religious duty in the service of territorial conquest. Closer to home, the Muslim Brotherhood's 1991 'Explanatory Memorandum,' recovered by the FBI and entered as a government exhibit in the Holy Land Foundation terrorism-financing trial, described the Brotherhood's work in America as a 'civilization-jihadist process' and a 'grand jihad in eliminating and destroying the Western civilization from within.' That primary-source language is not in dispute.[46]

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[43]The UN Human Rights Council's Commission of Inquiry ('They Came to Destroy,' 2016) found ISIS committed genocide against the Yazidis, including organized sexual slavery of women and girls that ISIS codified and 'proudly and explicitly justified' on its interpretation of Islamic law. UN finding reported by NPR (20 June 2016), https://www.npr.org/2016/06/20/482750940/u-n-report-isis-is-committing-genocide-against-yazidis; New York Times reporting (Callimachi, 2015) documented ISIS's 'theology of rape.'

[44]Child and forced marriage is documented across many jurisdictions; some Sharia-based personal-status codes set a low or no minimum marriage age, and UNICEF tracks high prevalence in parts of the Middle East, North Africa and South Asia. UNICEF, child-marriage data, https://data.unicef.org/topic/child-protection/child-marriage/

[45]Classical Islamic jurisprudence and several contemporary personal-status codes assign women unequal legal standing — a woman's testimony counted as half a man's in certain matters (Qur'an 2:282) and a daughter's inheritance share half a son's (Qur'an 4:11), alongside male-guardianship rules. Where codified and enforced by a state, these rules deny equal protection.

[46]The Muslim Brotherhood's 1991 'Explanatory Memorandum on the General Strategic Goal for the Group in North America' (authored by Mohamed Akram Adlouni), recovered by the FBI in 2004 and

What is disputed is scale. Some analysts treat the memorandum as an operative, ongoing strategy run through a web of mainstream organizations; other scholars have dismissively argued that it was a single author's writing, never adopted as a formal plan, and that the broader 'civilization jihad' thesis exaggerates its reach.[47] But the dispute over scale does not dissolve the point: where any movement — Islamist or otherwise — openly declares the aim of supplanting constitutional government with its own religious law, a free society is entitled to take it at its word.

Two guardrails keep this honest, and they answer the obvious objection directly. There is no contradiction in observing that immigrants arrive with different purposes: many — perhaps even most — come seeking the very freedoms these movements reject, and some fled them at risk of their lives, while a separate, self-identified group embraces the ideology of conquest. The point is therefore aimed at the **stated aims of specific movements**, not at immigrants as a class. And the remedy is not to bar a faith but to enforce one bright line on everyone: no person and no movement may impose law by force, by intimidation, or by the deliberate subversion of constitutional government whether overtly or covertly. Enforcing Sharia — or any code — by the sword, coercion, or subversion is incompatible with a free society, without exception.

A note on recent Texas action

As a matter of public record, and relevant context for this audience: on November 18, 2025, Governor Greg Abbott designated the Muslim Brotherhood and the Council on American-Islamic Relations (CAIR) as foreign terrorist and transnational criminal organizations under Texas law, prohibiting them from acquiring property in the state, and the Republican Party of Texas adopted a resolution in support.[48] CAIR's designation is not without international precedent: in November 2014 the United Arab Emirates placed CAIR on a list of 83 designated terrorist organizations — a notable instance because CAIR is a U.S.-based group with no operations in

admitted as a government exhibit in United States v. Holy Land Foundation (N.D. Tex. 2008), describes the Brotherhood's work in the U.S. as a 'Civilization-Jihadist Process' and a 'grand jihad in eliminating and destroying the Western civilization from within.' Primary document via the Investigative Project on Terrorism, https://www.investigativeproject.org/documents/20/an-explanatory-memorandum-on-the-general.pdf

[47]The memorandum's significance is contested. Some analysts (e.g., the Center for Security Policy) treat it as evidence of an operative, ongoing strategy; scholars at Georgetown University's Bridge Initiative argue it was one individual's writing, never adopted as a formal Brotherhood plan, and that the broader 'civilization jihad' narrative is an exaggerated conspiracy theory. Bridge Initiative, 'Civilization Jihad: Debunking the Conspiracy Theory,' https://bridge.georgetown.edu/research/civilization-jihad-debunking-the-conspiracy-theory/

[48]On November 18, 2025, Texas Governor Greg Abbott issued a proclamation designating the Muslim Brotherhood and the Council on American-Islamic Relations (CAIR) as foreign terrorist and transnational criminal organizations under Texas law (Tex. Penal Code § 71.01), barring them from acquiring property in the state and authorizing enforcement by the Attorney General; the Republican Party of Texas adopted a resolution in support. As a matter of accurate scope, the action is a state-law designation — federal foreign-terrorist-organization designations are made separately by the U.S. Secretary of State — and CAIR has filed suit challenging the proclamation. Office of the Governor of Texas (18 Nov. 2025), https://gov.texas.gov/news/post/governor-abbott-designates-muslim-brotherhood-cair-as-foreign-terrorist-organizations

the UAE.[49] CAIR called the listing "shocking and bizarre," the U.S. State Department sought clarification, and the organization is not federally designated in the United States; the facts are plainly stated here without further endorsement.[50]

Two conclusions follow. These are not relics of medieval texts; they are enforced today by states and movements that treat Sharia as binding public law, and their price is paid in suppressed conscience, fleeing talent, subordinated minorities, and the squandered potential of women and girls. And the remedy is the one this paper has urged throughout: protect private belief without qualification, refuse its imposition on others without exception, and never let a religious label override anyone's equal rights. Islam, freely practiced without coercion at any level, is considered a religious faith. Sharia, imposed by force or law, is a system of rule — and a free people must judge a system of rule by what it does.

Anticipated Objections — and Responses

- **"This is anti-Muslim."** Every remedy here names no religion, bans no product, and applies equally to kosher and to anyone selling a false "interest-free" label. The paper actively discards the claims of discrimination rather than trading on them.
- **"Humane-slaughter rules violate religious freedom."** A real tension. European courts have upheld neutral welfare laws as a fair balance; U.S. law currently exempts religious slaughter.[51] The honest American path is open debate over a universal standard plus method-of-slaughter labeling — not a carve-out aimed at one faith, which the Constitution forbids.[52]
- **"Kuran's thesis is disputed."** It is, and the paper says so. It is offered as one influential institutional account; the policy conclusions stand without it.[53]
- **"Markets already handle dietary and financial niches."** Agreed — which is why the asks are disclosure and neutrality, not restriction.
- **"Criticizing Sharia is criticizing Islam."** No. Private belief and worship are protected without qualification; what this paper opposes is coercion — the use of state power or force to impose a legal code on others and to override equal rights. Many Muslims oppose that imposition too, and the paper says so.

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[49] Even the Washington Post acknowledged the UAE designation, acknowledging that the Muslim Brotherhood UAE was likewise designated. https://www.washingtonpost.com/news/worldviews/wp/2014/11/17/why-the-u-a-e-is-calling-2-american-groups-terrorists/.

[50] In November 2014 the United Arab Emirates cabinet placed CAIR (and the Muslim American Society) on a list of 83 designated terrorist organizations alongside al-Qaeda and the Islamic State, citing alleged Muslim Brotherhood ties. CAIR — a U.S.-based organization with no UAE operations — called the listing 'shocking and bizarre,' and the U.S. State Department sought clarification. Neither CAIR nor the Muslim American Society is federally designated as a terrorist organization in the United States. PolitiFact (6 Feb. 2015), https://www.politifact.com/factchecks/2015/feb/06/molly-white/molly-white-says-muslim-group-recently-designated-/

[51] CJEU (2020); ECtHR (2024), Belgian stunning mandate, as above.

[52] Church of Lukumi Babalu Aye v. Hialeah, 508 U.S. 520 (1993), as above.

[53] MERIP review of Kuran (2011), as above.

Presentation Talking Points

- Call a product "interest-free" and consumers deserve to see the real cost — in numbers they can compare. Interest in disguise is still interest.
- Even Islam's own top jurists ruled the most common cash structure a deception that contains interest. We're not the ones saying it.
- On animal welfare, the only honest rule is one that applies to everyone — and it actually reaches kosher more than halal. Single out a faith and the courts strike it down.
- The real issue in shared cafeterias isn't anyone's religion — it's your right to know what you're eating and to choose an alternative.
- No special subsidies, no special burdens. Honest labels, equal rules, free choice. Transparency is conservative.
- Islam, freely practiced, is considered a faith and is thus protected. Sharia imposed by force or law — death for apostasy, slavery revived, women's standing halved — is a system of rule, and a free people must judge it by what it does.

Sources are documented in the footnotes throughout. This is a working paper prepared for political and policy discussion; it is not legal advice. Consult counsel before drafting or filing legislation.