Abstract: Hostility towards a population, whether on religious, ethnic, cultural or socioeconomic grounds, confronts rulers with a trade-off between taking advantage of population members' eagerness to maintain their identity and inducing them to “comply” (conversion, quit, exodus or any other way of pleasing the hostile rulers). This paper first analyzes the rulers' optimal mix of discriminatory and non-discriminatory taxation, both in a static and an evolving environment. It thereby derives a set of unconventional predictions. The paper then tests the theory in the context of Egypt's conversion to Islam after 641 using novel data sources. The evidence is broadly consistent with the theoretical predictions.