ECONOMY AND ECOLOGY 16.05.2025 | Marcus Schneider

Reconstruction begins where sanctions end

The lifting of US sanctions marks a turning point for Syria and its new president, offering more than 20 million people hope for a better future

'I will be ordering the cessation of sanctions against Syria in order to give them a chance at greatness.' These words, already deemed historic, were uttered by the US President only a few hours after he landed in Riyadh, Saudi Arabia. Cheers drowned out the rest, as the Saudi Crown Prince and the attending guests gave Donald Trump a standing ovation. That same night spontaneous celebrations erupted in the streets of Damascus and other Syrian cities. The ending of the US sanctions imposed on the former Assad regime is the most important event since the fall of the bloodthirsty dictator. For over 20 million Syrians, however, above all this means hope for a better future. Without the lifting of sanctions, there could be no chance of national reconstruction and economic revival and thus no prospects for the impoverished and war-ravaged population.

This is a game-changer of the kind we've become familiar with from Trump. It came totally out of the blue. The first rumours emerged only shortly before the actual announcement. The US sanctions, largely contained in the so-called Caesar Act, were the most comprehensive and oppressive measures ever imposed on a country. Politically, however, there was little to show for them. The fall of the Assad regime in December last year owed less to the economic sanctions than to the military boldness of the Islamic HTS rebels and the regime's ideological exhaustion. Scarcely a shot was fired at the rapidly advancing fighters — the dictatorship collapsed in on itself like a soufflé. Nor was it a popular uprising that brought down the regime. Its downfall was not a direct result of the economic hardship the sanctions imposed on the population.

Trump's U-turn

From December onwards, it was above all the Europeans – and primarily Germany – who were urging an end to the sanctions. Initially, however,

there was little hope that the Americans would get on board. A number of factors were against it. First of all, it was unclear what Syria policy the United States was pursuing. Most of those responsible for Syria and experts on the country had been dismissed in the 'purges' of actual and alleged Biden officials. Furthermore, the new Syrian regime seemed to be the embodiment of everything MAGA America professes to be against.

An America proclaiming itself to be embroiled in an ideological war with Islam was highly unlikely to reach out to a government that included alleged Jihadis. To make matters worse, in March the Alawi minority on the Syrian coast was subjected to a series of attacks. MAGA circles eagerly leapt on them as alleged massacres of Christians. Worst of all, however, is likely to have been Israeli propaganda, which depicted transitional president Ahmed al-Sharaa as an irredeemable religious warrior who wants to annihilate religious minorities, while the Jewish state set itself up as their protector.

The Netanyahu government, as it turns out, is the biggest loser from Trump's about-turn. Israel's aim is to keep a lid on the new Syria. Massive bombardments, the invasion of parts of southern Syria in defiance of international law and the deliberate incitement of religious divisions are all part of an Israeli policy aimed at destabilising their neighbour.

The ceasefire with the Houthis, the resumption of nuclear negotiations with Tehran – and now the lifting of sanctions against Syria – are clearly all happening against Netanyahu's stated will.

This was despite the fact that the new rulers in Damascus were clearly holding out an olive branch. It was made evident early on that Damascus had no interest whatever in clashing with Tel Aviv. President Sharaa kept calm even in the face of repeated Israeli air strikes. The new government's rhetoric also maintained a restrained note, even as popular anger boiled over in the south of the country against the naked aggression. What's more, further concessions were offered through US intermediaries, including de facto acknowledgement of Israeli control of the Golan Heights. But it all fell on deaf ears in Israel.

In Washington, by contrast, the smart diplomacy of Syria's transitional government seemed to strike a chord. It may be that this indicates a fundamental reorientation of US policy in the Middle East. Under the weak Biden presidency at times it was unclear who the superpower was in US–Israeli relations.

In the wake of Trump's re-election, there were fears that Washington had finally outsourced its Middle Eastern policy to Tel Aviv, in the sense of 'make the Middle East safe for Israel'. Things appear to have turned out differently, however. For all his erratic behaviour, transactionalism dominates over pure ideology under Trump.

In the ideological trench warfare within the MAGA camp, the extremely pro-Israel, neoconservative party seems to be losing out to those hostile to foreign intervention. They see an increasingly aggressive Israel as more of a security burden than a strategic partner. The fact is that Tel Aviv is continuing to push its luck, seemingly safe in the knowledge that its big brother in Washington, with its aircraft carriers and stealth bombers, will make sure that it never has to pay the price.

The ceasefire with the Houthis, the resumption of nuclear negotiations with Tehran – and now the lifting of sanctions against Syria – are clearly all happening against Netanyahu's stated will. On its own, it's unlikely the Syrian government could have managed to persuade Trump to make this game-changing move. The key factor was rather the strongest advocates on behalf of Sharaa, above all Turkish President Erdoğan. The fall of Assad is undoubtedly one of the greatest foreign policy successes of his already geopolitically ambitious agenda.

Saudi Arabia's role

But even more significant was the support of Saudi Crown Prince Mohammed bin Salman (MBS). This is all the more remarkable because under his leadership Saudi Arabia is pursuing a strictly anti-Islamist course. It is not in the interests of Riyadh or the axis of so-called 'moderate Arabs' in Cairo, Amman and Abu Dhabi – who have explicitly positioned themselves against the Muslim Brotherhood – for an Islamist-led regime in Damascus to succeed.

Against this background, Sharaa's first trip abroad in early February – not to Turkey, but straight to Riyadh – was all the more revealing. And indeed, he appears to have convinced MBS that the new government in Damascus poses no ideological threat.

Perhaps Riyadh will succeed where the West has failed for decades: in taming Iranian Islamists, at least in terms of

Taking ideology out of foreign relations is entirely in line with the Saudi Crown Prince's approach. In the wake of the Arab Spring and its failed popular uprisings, the Arab world was shaken by hegemonic struggles and ideological conflicts that plunged entire countries, not least Syria, into chaos. Saudi Arabia, Turkey and Iran

regional politics.

were each vying for regional supremacy.

There were signs of an approaching détente in the Middle East even before the events of 7 October. They culminated in a rapprochement between Riyadh and Tehran. Indeed, despite all the tensions and setbacks, this dialogue is still ongoing. This development is in line with MBS's vision: not the suppression of rivals, but mutual acceptance as a new regional paradigm. Key to this is a dawning realisation in Riyadh that the kingdom would be one of the main victims in the event of a war with Iran.

Riyadh is therefore holding Tehran close. Not out of naivety, but in an effort to coax the embattled but still far from powerless Islamic Republic onto the path of good neighbourly relations. Given its current fragility, it might be persuaded to cooperate.

Wiser heads in Tehran may certainly respond favourably to such a course, as a possible way out of the current impasse. Indeed, traditional anti-Saudi propaganda has almost completely fallen silent. Perhaps Riyadh will succeed where the West has failed for decades: in taming Iranian Islamists, at least in terms of regional politics.

What comes next?

But the biggest winner from Trump's U-turn is undoubtedly Sharaa himself. His exceptionally prudent foreign policy has paid dividends. This diplomatic outreach has maintained consistency in every direction, in the case of Israel almost to the point of self-denial. It is a remarkable achievement, given the extremely complex geopolitical situation and the multitude of powerful opponents, who are not confined to Tel Aviv and Tehran. Such farsightedness is unusual. Generally speaking, revolutionary regimes are prone to let their ideological enthusiasm get the better of them. Sharaa, by contrast, has so far conspicuously refrained from any form of escalation.

The question nevertheless remains how credible his ideological turn can be. Many Syrians are asking themselves the same question. Could he really be a statesman concerned about all his fellow Syrians, regardless of their religion or worldview? Or does his statesmanlike façade mask an ideologically driven Jihadist, planning to turn Syria into an Islamic republic?

The lifting of US sanctions also boosts Sharaa's

Of course, Syria can scarcely be expected to develop a full-blown democracy overnight. But there is no reason why a regime similar to

domestic political legitimacy.

Turkey's should not emerge, supported by broad sections of the population, with a certain degree of political plurality and even liberal niches. Given the chaos, civil war and devastation that have shaken large parts of the Arab world in recent years, this would truly constitute a major step forward, notwithstanding all the justified criticism. However, whether this actually happens scarcely depends on Sharaa alone. It depends every bit as much on all those Syrians who not only hope for such a future, but are also actively demanding it.

The lifting of US sanctions also boosts Sharaa's domestic political legitimacy. The upshot is that his government is no longer merely the force that toppled the dictator, but perhaps also the agent of reconstruction in this ravaged country. Billions in investments from the Gulf are standing at the ready; Turkish construction companies are waiting for the green light; and there are cautious signals of support even from the West. An economic reawakening could commence as early as tomorrow. Such an economic leap forward could also help to alleviate the numerous unresolved issues beleaguering the country.

But international pressure is hardly Sharaa's only concern. He must also keep his own, partly jihadist-influenced followers under control. With a gentle but firm hand, he is trying to get them to undergo their own 'road to Damascus', namely to relinquish ideological violence, as recently manifested in attacks on Alawites and Druze. There is no guarantee that this will succeed. Such periods of upheaval are fraught with potential relapses. Syria is by no means home free. But by lifting sanctions – with all due reservations – Trump has brought a stable Syria one step closer.



Marcus Schneider
Beirut

Marcus Schneider heads the FES regional project for peace and security in the Middle East, based in Beirut, Lebanon. Previously, he worked for the FES as head of the offices in Botswana and Madagascar, among others.