# *Authoritarian by Proxy: Western Engagement with Al-Sharaa's Regime in Syria*

*Selim Fourati, Matilda Genieser, Guy Almoznino, Zahra Rohaninejad*

Global Affairs Program of the Institute of Politics
Middle East & North Africa
Global Affairs Journal

Executive Summary

Since December 2024 and the fall of the Assad Regime, the West's engagement in Syria, particularly the US and the EU, has aimed towards a stabilization of the country in the short term. Western actors have lifted sanctions, slowly reopened for diplomatic dialogue, and facilitated humanitarian aid. While these efforts have succeeded in providing temporary relief to the population, they remain insufficient to sustainably rebuild Syria. However, this paper aims to combine the existing-strategies with a new foreign direct investment (FDI) strategy: investments in shipping and trade, energy infrastructure, and digital transformation. Finally, instead of simple stabilization, an economic revitalization will give Syria the tools to rebuild autonomous and efficient institutions, as well as stimulate long-term growth in order to reintegrate into regional and global markets.

***"GAP World Stage: Syria at a Crossroads - The Road Beyond the Regime"***
*Guest Speaker: Ibrahim al-Assil*
*This event helped inform the paper.*
*Thank you to the speaker & participants!*

## I. Introduction and Background

Western states, chiefly the United States, the United Kingdom, and the European Union member-states, became active players in the Syrian crisis after the Arab Spring uprisings in 2011 and the descent into civil war that followed. Western policy blended diplomatic pressure, economic sanctions, and overt military assistance to selected Syrian opposition actors. The strategic backdrop to this involvement was the deepening role of Russia and Iran in sustaining the Assad regime, actively supporting its oppressive actions against the Syrian people (Oligie, 2019).

## II. Issue description: What is happening in Syria? Why should we care?

*What is happening*

The Syrian uprising began in March 2011 as part of the broader Arab Spring, when peaceful protests demanding political freedoms and an end to corruption were met with violent state repression. Over the following decade, the conflict fragmented into zones of control divided among the Assad regime, Islamist factions, Kurdish forces, and foreign-backed militias. Massive external intervention, particularly by Russia and Iran, enabled Assad to survive periods of severe weakness. By 2023–2024, however, the regime's military exhaustion and economic collapse weakened its grip on Damascus. Coordinated rebel offensives and internal fractures within the regime's security structures ultimately allowed opposition forces dominated by Hay'at Tahrir al-Sham (HTS) to enter the capital in late 2024 and force Assad's departure. His removal ended more than five decades of Assad family rule but left a deeply fragmented political landscape and an unresolved contest over Syria's future (Adar et al., 2025).

Following the collapse of the Assad regime, the contested legitimacy of the interim authorities, led by Ahmed al-Sharaa, raised questions regarding how the Syrian case should be





addressed. Currently, there is no certainty that al-Sharaa will not turn into a new Assad, redirecting Syria away from a potential democracy back towards authoritarianism. Although Syria's election in October 2025, the first since the transition, brings hope for a brighter future, there are still concerns about whether al-Sharaa will incorporate extremist Islamic views with the new government (Gall, 2025). Al-Sharaa's background includes documented involvement with jihadist organizations (Factually, 2025). Thus, the West's help in placing more guardrails is critical to ensure inclusive democratic representation and economic sustainability (Schenker, 2025). Syria needs to receive in-kind help to recover from the long war. The European Union has already spent over €204 million in 2025 for humanitarian aid (European Civil Protection and Humanitarian Aid Operations, 2025), while the United States has spent over US$42 million (U.S. Agency for International Development, 2025). Unfortunately, this is not an effective long-term solution. Studies on stabilization programs in Syria find that, unless aid is tied to governance reform and local administrative capacity-building, it fails to produce sustainable outcomes (McCurdy & Brown, 2021). Consequently, without institutional development and economic reconstruction mechanisms, humanitarian aid alone cannot support Syria's long-term recovery, and the country will remain vulnerable to backsliding or collapse.

*Why it's important for the US and the EU*

Recent regional dynamics require a more precise framing: The historical Russian and Iranian support for the Assad regime allowed both countries to grow their influence on Syria and push it further away from cooperating with the West. Syria is no longer the main priority, with the Kremlin focusing on its conflict with Ukraine and Tehran dedicating resources to its conflict with Israel. This has left an opening for greater Western engagement. In light of the new regime and weakened regional influence, the West can form the ground for cooperation, financial support, and investment, previously provided by Russia and

and Iran, all while fostering democratic and humanitarian governance systems in the country.

Another important player in Syrian politics is Turkey. It maintains ongoing military control over parts of northern Syria and has repeatedly targeted Kurdish groups, especially the Syrian Democratic Forces (SDF) and its core militia, the People's Protection Units (YPG). Multiple human-rights reports document abuses, displacement, and repression of Kurdish civilians by Turkish-backed factions in these territories in response to their call for autonomy (Human Rights Watch, 2024). While Turkey has shown support towards al-Sharaa's transitional government, it might reflect an interest in asserting dominance in the region and expanding Turkish influence over Syria. Therefore, not only will the West have to manage its own personal relationship with Syria, but it will also need to ensure that competing players do not gain a negative influence in the region. Effective Western engagement, therefore, requires navigating the retreat of Russia and Iran and the competing objectives of Turkey. Russia and Iran must be prevented from regaining power in the area, and Turkish expansion into Northern Syria should be restricted.

## III. Current Strategy: Stabilization of Syria so far

Since the fall of the Assad regime, the primary strategy implemented by the United States and the European Union has been the semi-conditional lifting of sanctions. The West has pursued a combination of conditional and unconditional sanctions relief, prompting criticism that both the United States and the European Union have failed to fully leverage sanctions as a tool of political influence (Sayigh, 2025). When al-Sharaa rose to power, the first step taken by the United States to normalize relations with Syria was sending Barbara Leaf, the State Department's top official for the Middle East, to Syria and removing the US$10 million bounty on al-Sharaa (Salih, 2025). Furthermore, both the United States and the European Union have lifted many of Syria's previous sanctions since November 2024 (Votel & Lister, 2025). The Caesar Syria Civilian Protection Act of 2019, which consolidated many of the restrictions limiting Syria's participation in global trade, has been rolled back gradually following President Trump's executive order (Votel & Lister, 2025). The act, which barred Syria from entering the international banking system and investing in U.S. dollars, was mostly lifted after al-Sharaa met with President Trump in Saudi Arabia in May 2025, and is set to continue being repealed on a rolling six-month basis (Votel & Lister, 2025). Additionally, the U.S. has called for Syria to be included in the regional coalition against the Islamic State of Iraq and Syria (ISIS), a method of ensuring the government's ability to not only maintain international legitimacy, but also to cement that Syria will not fall back into an Islamic fundamentalist regime (Djerejian, 2025). American troops have also maintained a limited presence in northeast Syria to assist the new authorities with operations against ISIS. The West has facilitated additional humanitarian and reconstruction aid following the removal of many sanctions, temporarily supporting Syria's basic needs (Djerejian, 2025). For example, in June 2025, the European Union not only lifted economic sanctions against Syria, but they also pledged assistance of €175 million towards reconstruction aid (European External Action Service, 2025). However, concerns remain that the European Union's policy statement lacks sufficient specificity to produce viable solutions within Syria (Sayigh, 2025).

## IV. Challenges to Stabilization

The West's current strategy presents several challenges. First, the current allocated aid is only stabilizing Syria instead of helping the economy grow. As the country welcomes all possible assistance to rebuild its infrastructure, the current situation does not provide any perspective on a self-sustained economic activity (Sayigh, 2025). Therefore, humanitarian support needs to be accompanied by long-term investments. Additionally, the West still needs to consider the legitimacy of the new government, as discussed above. Ultimately, the West needs to correctly measure the influence it wants to hold over Syrian reconstruction. If the U.S and the EU do not put in enough effort, the other agents who strongly benefited from the previous regime might try to reproduce similar patterns with the new interim authorities and close the door to democratic state-building.

## V. Proposed strategy: Economic Revitalization through FDI

After years of unsuccessful Western attempts to resolve economic instability within Syria, there must be a new approach to address the country's internal policy issues. The reforms that the Syrian government will introduce should have the attraction of Foreign Direct Investment (FDI) as a final goal. Through FDIs, Western actors can work with Syrian policymakers to create mutually beneficial solutions that blend both stabilization and innovation. This section proposes an alternative strategy to move from humanitarian relief to long-term recovery through three distinct investments in physical infrastructure, energy solutions, and digital transformations, supported through private- public collaboration.

## VI. Investment Strategy

### *Syria's Physical Backbone: Infrastructure*

Syria's strategic position on the eastern edge of the Mediterranean makes investment into shipping infrastructure a key opportunity for Western backers. Though the country is lacking in many natural resources itself (U.S. Energy Information Administration, 2015), Syria and the West should work to make the country a gateway to the rest of Asia. This opportunity would be beneficial to both Syria and its new Western allies, who, if successful, would stand to gain extremely profitable trade routes through Southern Europe, North Africa, and the Middle East (Martinez, 2025). Nonetheless, it is important to note that in order for the initiative to be successful, coordination with other regional actors, such as Lebanon, Turkey, and the Gulf, is crucial to ensure no conflicting or overlapping investment plans are taking place.

Western countries like the United States should support Syria with the redevelopment of its two major ports: the Port of Latakia and the Port of Tartus. In doing so, the US will be able to complement the increasing Gulf interest in the area and, at the same time, reduce Moscow and Tehran's historic monopoly over the Syrian shipping industry by gaining a crucial Mediterranean trade route. With the termination of the Moscow-based firm Stroytransgaz's contract in the Port of Tartus (The Arab Weekly, 2025), and the decision to abandon the Russian naval base in the same port, there is an opportunity for Western powers to engage in negotiations with Al-Shara's government. This opportunity has already been capitalized on by the UAE, which, as of July 2025, signed a 30-year agreement to develop and operate in the Port of Tartus (Uddin, 2025). EU partners have been active in the Port of Latakia, with French shipping logistics firm CMA CGM signing a deal to invest over 230 million across several years in order to build a new infrastructure at the port (Reuters, 2025). Yet most recently, it was AD Ports group, another UAE-based firm, that purchased a 20% stake in the Port of Latakia (Saratsopoulou, 2025). As such, it is imperative that the US and other EU member states follow the lead of the Gulf countries and seize the opportunity to invest in Syria's ports.

### *Energy for Recovery*

Investment opportunities are also abundant in the power and energy sector. Currently, Syria is suffering from an energy crisis, with citizens receiving only two hours on for every four hours off in many Syrian provinces (Baladi & Janbaz, 2025). The lack of infrastructure, coupled with extensive damage to the power grid during the conflict, compounded fuel shortages, causing many to go without power for most of the day. There is an opportunity to fill the energy vacuum in the form of Western energy investments, notably through Public-Private Partnerships (PPPs), a collaboration of the interim government with Western firms, encouraged by their own authorities, to work on public projects in Syria. Already, US-based firms Baker Hughes, Hunt Energy, and Argent LNG have entered a coalition to capitalize on the vacuum in the as in May, the Syrian government signed a memorandum of understanding with a consortium led by Qatar-based UCC Holding to introduce $7 billion dollars in investments into power plants across Syria (UCC Holding, 2025). These developments indicate a gradual opening of the internal energy sector to international collaboration, particularly in projects combining infrastructure rebuilding with technology transfer and local capacity development.

Beyond hydrocarbons, renewable energy presents one of the most promising frontiers for sustainable investments in Syria. With most regions receiving over 3,000 hours of sunshine annually, Syria has a strong potential for solar energy development (Weather & Climate, 2020). In fact, the country has already signed a Memorandum of Understanding with Saudi Arabian parties (Al-Harriet and Sakalko) to develop up to 300 megawatts of solar energy capacity across the country (PV Knowhow, 2025). This could be particularly significant in rural areas where conventional grid access is limited, and as such could serve to prevent asymmetric growth focused on major cities.

*Digital Transformation*

A long-term potential investment strategy involves the expansion and modernisation of Syria's digital infrastructure. The redevelopment of physical networks and potential for technological growth present an enormous opportunity for the West, and could be key to the country's long-term recovery. Syrians would gain access to global markets as well as a more inclusive job market, greatly stimulating the economy. For the West, partners gain new avenues for investment and greater streams of revenue. The collaborations would be transparent public-private partnerships with the Syrian government, aimed to update Syrian technology on cybersecurity and digital banking infrastructure while promoting local employment, given the current high unemployment rate of 13% (Central Intelligence Agency, 2025). Hence, these PPPs would contribute to the modernization of Syria and the inclusion of its citizens in global markets. Western governments could redirect a part of the aid already allocated to humanitarian aid toward subsidizing Western corporations that invest in Syria's digital transformation. For instance, if the EU reallocates 10-15% of the €204 million that it already provides in humanitarian aid, the Syrian government will receive €20-30 million, which can be invested into the rebuilding of targeted fibre networks (Kim, 2024).

Across the country, there is already widespread familiarity with both mobile and internet technologies despite power limitations. In 2025, nearly 80% of the Syrian population actively used mobile phones, with an increase of 7% between early 2024 and early 2025. The use of the internet is slow but steadily increasing, with a yearly growth of 4% yearly. The increase of median mobile internet download speed by more than 7% in 2025 also reflects a population willing to follow current technological trends and changes (Kemp, 2025). The popularity of events like Hack for Syria and SYNC 25 (Shanawani, 2025) highlights the desire for the country to step into the digital age. It is through investments in fibre-optic networks and telecommunications that Syria can lay the foundation for a digitally integrated economy. Upgrading national connectivity would not only improve internet reliability, but also serve to link citizens, institutions, and businesses. In turn, Syria will be able to rejoin global digital markets, while fostering internal innovation, transparency, and much-needed growth.

Ultimately, all three investments (Infrastructure, Energy, and Digital Transformation) contribute to long-term growth, which is critical to ensure a goal-oriented rebuilding and reinclusion of Syria within the international community.

## VII. Challenges to These Approaches

***1. Competition from Non-Western actors***. Western states are not alone in recognising the potential for growth in Syria. Various Gulf States, China, Russia, and Iran all hold significant positions in infrastructure, such as ports (Al Amir, 2025), real estate, or initiatives like the Belt and Road Initiative (Newsroom, 2025).

***2. Political Instability.***

Despite having a leader willing and able to work with external parties, Syria remains extremely fragmented. Across the country, competing authorities deal with intermittent security issues, including violence against ethnic minorities. Investments in infrastructure can risk exposure to unstable territorial control of the current interim authorities, with various groups controlling different regions, which poses reputational and financial challenges, limiting the potential for private investments. This heightened risk complicates the attractiveness of Syria for private investors, creating an additional barrier to development.

***3. Domestic Constraints.***

Syria faces high unemployment rates of around 13% (Central Intelligence Agency, 2025), and an extremely unstable currency with the Syrian pound having lost 99% of its value since 2011 (Dalatey, 2025), thus investors should be wary of limited economic returns. Furthermore, due to current infrastructure constraints, local partners may lack the financial capacity to buy limiting internal participation.

**VIII. Conclusion**

In conclusion, current Western-led stabilization strategies in Syria have proven to be insufficient for a sustainable rebuilding of the country. Through FDI's, Syria can achieve a revitalization that transitions the aid landscape from a humanitarian-based process to long-term economic goals for better infrastructure. This paper proposes three distinct types of public-private investments as solutions for the current situation: Commerce, Energy, and Digital Transformation. For these to be effective, Western actors such as the EU and the U.S. must beware of competing powers' presence, whose past involvement has not consistently served the interests of the Syrian people. In return for their help, Western institutions gain a new ally and partner in the Middle East with a crucial geographic position. Ultimately, by pairing stabilization and innovation in Syria, the West can prevent the country from backsliding into authoritarianism and, hopefully, create a durable prosperity.