Rebuilding War-Torn States: The Challenge of Post-Conflict Economic Reconstruction. By Graciana Del Castillo. Oxford: Oxford University Press, 2009. 304p. $49.95.

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In *Rebuilding War-Torn States*, Graciana Del Castillo draws on theory, her own experiences as senior economist in the Cabinet of the United Nations (UN) Secretary-General and as an IMF staffer, and qualitative case studies to critically reconsider the challenges of post-conflict economic reconstruction. The core argument is as follows. Countries making the shift from war to peace face a multi-pronged transition in the economic, legal, political, social, and security sectors. Given this multi-faceted transition, economic reconstruction is fundamentally different from the 'development as usual' approach taken by the international community to address typical socio-economic challenges faced by peaceful developing countries. Instead, economic reconstruction in post-conflict countries is a 'development plus' challenge, meaning that these countries face the same challenges as other developing countries *plus* the added challenge of achieving reconciliation and peace. Del Castillo concludes that many post-Cold War reconstruction efforts have failed because of the development as usual approach to reconstruction, a lack of comprehensive planning, insufficient aid and assistance, and the inadequacies of international organizations (e.g., the United Nations and international financial institutions) in dealing with the challenges of reconstruction.

The book consists of fifteen chapters broken into five parts. Part 1 considers the features of recent war-to-peace transitions and explains the distinction between development as usual and development plus. Part 2 provides six general premises for policymaking in post-conflict reconstruction efforts: (1) transition is a development-plus challenge, (2) political objectives

should always prevail, (3) a lack of legitimacy will limit policymaking options, (4) different measures of success are necessary, (5) a reorganized UN should take the lead in reconstruction efforts instead of development institutions (e.g., the World Bank and regional development banks), and (6) keep efforts simple and flexible. Part 3 focuses on some of the issues and challenges associated with international assistance. The main actors involved in reconstruction and suggestions for improved performance, including a proposed reorganization of the UN as it pertains to reconstruction, are discussed. Also addressed are the pros and cons of various forms of aid. Part 4 provides several case studies, offering El-Salvador as a case of relative success and Kosovo, Afghanistan, and Iraq as cases where efforts have largely failed. Part 5 concludes with a new strategy for economic reconstruction. The importance of 'national ownership' is emphasized because without indigenous ownership, reforms will fail to sustain. Critical for ownership are expectations of a 'peace dividend,' which refers to the payoff from achieving peace. This dividend is especially important for ensuring that potential spoilers buy-in to reconstruction efforts. Also provided are proposed organizational charts for the central government of countries being reconstructed, including clear linkages between the government and the significantly reformed UN discussed in Part 3. Separate chapters are dedicated to macro- and microeconomic policymaking in reconstruction.

Rebuilding War-Torn States has several strengths. Del Castillo provides an important service by calling for renewed debate over a wide range of issues related to reconstruction, especially in light of the failures of the current approach. Further, the analysis correctly recognizes that economic reconstruction does not take place in isolation, but instead as part of a multi-pronged transition. This highlights how complex the task of reconstruction is when

compared to development efforts in peaceful countries. Finally, the book accurately identifies many reasons why reconstruction efforts are failing.

Despite these strengths, the analysis suffers from several shortcomings. The distinction between development as usual and development plus is important because it highlights the added difficulty of facilitating reconciliation and achieving lasting peace in post-conflict counties. However, del Castillo accepts development as usual as an effective foundation for her development plus approach. It is far from clear that the development as usual approach followed by the international development community has successfully assisted peaceful developing countries. Well-known critics of the development establishment, such as William Easterly and Dambisa Moyo, have provided evidence that the development as usual efforts of the international community are more likely to fail than succeed. They also highlight how these efforts can do real harm to those they intend to help. While del Castillo's main goal is not to critique or defend the development as usual approach, one must wonder—if the development as usual approach suffers from significant failures and ambiguities, why should we expect development plus, which is a much more complex challenge, to be any more successful?

A key trouble with the development as usual approach is the inefficiency associated with the large-scale bureaucracies charged with designing and implementing development initiatives. The literature on the industrial organization of bureaucracy links these inefficiencies to perverse incentives resulting in poor coordination and waste, knowledge problems regarding the proper allocation of resources, and the absence of feedback mechanisms to correct misallocations and ensure accountability. Indeed, a central part of del Castillo's analysis focuses on the lack of coordination between the numerous bureaucracies currently involved in reconstruction efforts. However, instead of recognizing the characteristics inherent in all bureaucracies, del Castillo

focuses on providing numerous organizational charts to better organize not only the UN, but also the governments of countries being reconstructed. She is careful to qualify these proposals by indicating that these reorganized organizations should be run "…as efficient and effective as is feasible" (p. 243). However, hopes of efficiency in these proposed reorganizations flies in the face of the theoretical and empirical evidence regarding real-world bureaucracies. Given the inefficiencies inherent in all government bureaucracies, as well as the complexity of reconstruction, it is far from clear that the proposed reorganizations will be more effective in meeting the challenges of post-conflict reconstruction.

In my view, the biggest weakness of *Rebuilding War-Torn States* is that, despite calls for critically reassessing economic reconstruction efforts, del Castillo is never able to break away from the development expert approach. This paradigm dominates development efforts in peaceful countries and is even more pervasive in reconstruction efforts. The development expert approach holds that a small group of elites can somehow formulate and implement a comprehensive plan to generate economic development for an entire country. To borrow del Castillo's language, in the context of reconstruction, the development expert approach is transformed into the development expert plus approach because it is assumed that a small group of elites can solve a significantly more complex problem—the standard development challenges *plus* the design and implementation of the complex array of institutions underpinning a free and peaceful society.

Instead of considering the possibility that failure in reconstruction efforts is a function of the inability of experts to centrally plan and implement these institutions, del Castillo treats past failures as a technological issue. From this standpoint, failure is due to a lack of proper organization, planning, and resources. The underlying assumption is that the institutions

underpinning a peaceful society can be successfully planned and implemented if only the author's proposed strategy is followed.

In the spirit of renewed debate regarding reconstruction, let me close by raising some bold conjectures which I believe should be part of the broader discussion. First, humility is needed regarding what can be achieved in post-conflict reconstruction. Put simply, no single person, or group of people, can grasp the complexity of the underlying systems in post-conflict countries, and no expert, or group of experts, knows how to fix the array of ills that plague these countries. Second, it is important to recognize that while foreign interventions can do good, they can also generate unintended 'bads,' especially where interveners cannot possibly understand the complexity of the system in which they are intervening. Third, the development expert approach to reconstruction should be viewed with skepticism. Specifically, experts proposing changes to existing bureaucratic structures with promises that these organizations will better be able to engage in comprehensive planning to fix entire post-conflict countries should be met with skepticism. Fourth, failures to successfully reconstruct post-conflict countries are not purely a result of technological constraints. Instead, failure is largely due to the inability of government bureaucracies to centrally plan and implement the institutions underpinning a peaceful and free society. Fifth, given the skepticism of the development expert approach, more radical alternatives must be considered.

One such alternative emphasizes bottom-up development instead of top-down planning. It recognizes that development of all forms can only come from within and that lasting change requires citizens finding what works and what does not work through a process of local experimentation. It recognizes a minimal to nonexistent role for foreign experts and planners, since the desired outcomes of freedom and development are not the result of a comprehensive

plan designed by outsiders. It recognizes that the key benchmark in development is the ability of citizens to experiment with alternative organizational and institutional forms. Finally, this alternative allows for flexibility and fosters legitimacy, as citizens play a central role through self-determination and discovery, even if the outcome is not what outside experts perceive as the 'right' one. This alternative aligns with some of del Castillo's premises for policymaking in post-conflict situations and, most importantly, recognizes the flaws in the development expert plus approach to reconstruction.