Private Investment and the Role of the State in Reconstruction

Tilman Brück
Head, International Economics, DIW Berlin
Co-Director, Households in Conflict Network

Berlin, 14 September 2006
Key Message

Emergence of a new policy agenda in post-war reconstruction

- reconstruction requires growth
- growth requires private-sector investment
- investment requires effective state
- effective state requires overcoming war
- overcoming war requires participation

Therefore analyse three dimensions of reconstruction

- peace, prosperity and participation

This policy agenda is more demanding and challenging

- make some tough choices on the way
War, Reconstruction and the State

Peace, participation and prosperity
- political participation as a key factor for reconstruction

State and justice
- justice is a cross-cutting theme in reconstruction

State and equality
- group inequality and inequality dynamics matter for conflict resolution

State legitimacy
- address and resolve state legitimacy to overcome conflict

Conflict and globalisation
- globalisation changes post-conflict reconstruction
Conclusions

Next steps

- evidence: mainly case-study so far - eg at this conference
- research: lack of micro-data and of scientific policy evaluations

Summary

- reconstruction does not imply focus on war activities
- instead adopt a broader approach to post-war reconstruction
- good reconstruction policies are good development policies
Private Investment and the Role of the State in Reconstruction

Tilman Brück
Head, International Economics, DIW Berlin
Co-Director, Households in Conflict Network

Berlin, 14 September 2006