Chapter 7
Local Sourcing in Peacekeeping:
A Case Study of Swedish Military Sourcing

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ABSTRACT
This case study explores the Swedish armed forces’ sourcing from local suppliers in the area of the peacekeeping operation in Liberia. The chapter discusses why, what, and how the Swedish armed forces develop local sourcing. For the study, a theoretical framework was developed with an industrial network perspective based on three cornerstones: supplier buyer relation development, internationalisation, and finally, sourcing and business development in a war-torn country. The results of the study show that both implicit and explicit reasons to source locally exist. Every operation is unique, and therefore the sourcing needs to be tailored for each operation. Local sourcing was developed in the country based on existing needs and when opportunities arise. Theoretically, new insights of differences between business relations in military operations and normal business to business relations were gained. Practically, this study illustrates the importance to develop and diversify sourcing in international operations.

INTRODUCTION
The Last 20 years have seen a significant change in European military engagement. During the Cold War era most European countries focused their military efforts on homeland defence. Today participation in international peacekeeping operations have become an important factor for the military planning. During the Cold War, local sourcing was a natural part of the homeland defence planning. Due to the change towards international engagements in peacekeeping, sourcing have become much more complex and difficult. Sourcing and especially local sourcing under these conditions requires a different approach and knowledge. Military conflicts requiring peacekeeping efforts
are international. They mainly occur in regions where poverty is severe and small changes or disturbances can cause starvation and death. In conditions like these, the most urgent need is to save human lives and, in a more long-term perspective, extend aid to help the society/nation to build/rebuild the infrastructure and revitalise the businesses.

Most peacekeeping operations take a long time. Stable conditions must be reinstated and the parties in the conflict must realize that they will all gain from the prevalence of peace. The war economy has to convert to peace-economy. Crime incidence has to drop and provision of protection decrease in importance. Furthermore business development and job creation are important parts of the stabilization process. Military peacekeeping operations in foreign countries have demands and needs for goods and services. Therefore they should be able to make a difference to the local business as well as for the future business development. However, the forces mainly source their needs from their home country or from international networks.

There are few articles on military logistics in peer reviewed journals. The bulk of logistics literature describes, theorizes, or provides handbook information on large scale operations (e.g. Pagonis 1992; Kane 2001; Tuttle Jr. 2005). Studies on how small nations handle their military logistics are rare (e.g. Tysseland 2007, Markowski, Hall and Wylie 2010). Important work has been done about the growing private military industry (e.g. Singer 2008, Verkuil 2007). Previous literature focuses almost exclusively on international sourcing or sourcing from the home country. There is very little on local sourcing in military operations.

This study aims to explore the Swedish armed forces’ sourcing from local suppliers in the area of a peacekeeping operation. The paper will discuss why, what and how the Swedish armed forces develop local sourcing. The study is based on a case concerning the Swedish participation in the UN-mission in Liberia. Data was collected during a field visit in September 2005 and from interviews in Sweden. Further comparative data has been collected about Swedish operations in Afghanistan and Kosovo.

After the introduction, the paper presents a theoretical framework on post conflict development and relevant commercial theory, applicable to non-profit military environments. In section three, the paper gives some basic description on issues important for local sourcing of military operations. In section four the methodology and the empirical material from the Liberia-case are presented. Thereafter the empirical material is discussed in the light of the presented theory. Finally, conclusions and thoughts for future research are presented.

THEORETICAL FRAMEWORK

The main area to be discussed covers local sourcing in an international environment. We see the supply chains as a network of suppliers and discuss supplier development from that perspective (Lambert, Cooper and Pagh, 1998). The existing theories about sourcing in an international environment and supply chains in the form of networks come from the area of private business (Agndal 2004; Lambert et al. 1998). The intention is to adopt and adjust private commercial theories so they can be used to describe the sourcing of military operations.

The meaning of the term local sourcing requires some clarification. Based on international theory, the engagement of a military unit can be viewed as a temporary Greenfield venture or investment. The military unit starts up an operation in a foreign area where their services are requested, and they stay as long as their services are asked for by the international society. Their knowledge about the area is limited in advance to their arrival, but they know that that it exist a “business opportunity” in the area. Their services are requested by local organisations and/or the international society and it will stay this way until the conflict is solved and