



supply chains *can* promote peace: a postscript and a thank you note

Editor's note: Last fall, DC VELOCITY Editor at Large Steve Geary wrote about the role of supply chain initiatives in helping rebuild the Iraqi economy ("can a supply chain promote peace?" November 2007). At the time, Geary was deployed in Iraq, working as a member of a team charged with promoting employment in the war-torn nation. In this follow-up article, he looks at developments in that initiative in the months since he filed his initial report.

IN A NOVEMBER 2007 STORY, I ASKED THE QUESTION, "CAN A SUPPLY chain promote peace?" One of the tricks of the trade in writing a story in the face of incomplete facts is to tee up a question, instead of making a statement. Last year, the supply chain sure looked promising as a tool to promote stability in Iraq, but the jury was still out.

Well, fast forward to the summer of 2008, and there's no need to be tentative. We can be declarative. Rebuilding an industrial supply chain promotes peace.

I've spent a lot of time in Iraq the past couple of years, working in support of some truly committed people, both Iraqi and American. We've been trying to get a once-massive national economic engine running again. While at this point it might not yet be firing on all cylinders, it sure is running.

In July, I received a thank you note from an Iraqi friend, a senior leader in his community. It was addressed to me, but it really was meant for the American people. In order to understand that note, you have to understand some of what has happened over the last two years in a city named Iskandariyah, near the Euphrates River, about 25 miles south of Baghdad.

A fact-finding mission

In the summer of 2006, a U.S. delegation traveled to Iskandariyah. We toured the State Company for Automotive Industries (SCAI) in Iskandariyah and found a massive derelict manufacturing facility employing a few hundred people. Just a mile down the road was a sister facility, the State Company for Mechanical Industries (SCMI). In between the two was a bombed out pile of rubble that had been the Hateen munitions complex. Once upon a time, these three facilities were among the

industrial jewels of Iraq. At its peak, the Iskandariyah Industrial Complex employed over 25,000 people. In the summer of 2006, there were less than a thousand.

The delegation was there to begin exploring ways to revitalize SCAI and SCMI to promote stability in one of the most dangerous areas of Iraq, dubbed the “Triangle of Death” by the press. This was not a journey for the faint of heart: It required full battle gear, Apache helicopters overhead, and U.S. combat troops deployed and at the ready securing the perimeter.

“We need to put the angry young men to work,” declared Lt. Gen. Peter W. Chiarelli, then the commanding general of the Multi-National Corps, Iraq. “One of the key hindrances to us establishing stability in Iraq is the failure to get the economy going. A relatively small decrease in unemployment will have a very serious effect on the level of sectarian killing going on.”

The plan of action

From that simple premise almost two years ago came a comprehensive effort to include a business solution in the plan for that region of Iraq. Today, thanks to efforts by the government of Iraq, the Army’s Task Force Marne, and a Defense Department Task Force called the Task Force to Improve Business and Stability Operations-Iraq, along with judicious support from the U.S. government, Iskandariyah is a resounding success. It’s just that nobody in the United States knows about it.

During the worst days, explosive devices detonated outside the gates of SCAI, Al Qaeda mortar teams worked the area, support personnel from the Coalition taking the five-minute drive from SCMI to SCAI required an armored convoy, and small arms fire could often be heard. Contrast that to March of this year, when Sens. John McCain, Lindsey Graham, and Joseph Lieberman took a stroll through the market in the center of town—without body armor.

SCMI now assembles New Holland Tractors for the domestic market in Iraq. Just this past month, SCAI sold 25 over-the-road tractor/trailer sets, with substantial manufactured content from SCAI, to a Kuwaiti company, a deal valued at over \$2,000,000. In addition, an international automotive company is considering resuming a joint venture with SCAI that was last active before the First Gulf War.

The Iskandariyah Industrial Complex is building prefabricated housing units, oil refineries, buses, construction equipment, greenhouses, and other things too numerous to list. There are 1,500 students enrolled at a recently refurbished vocational-technical training center. And on June 1, SCAI and SCMI reached a critical milestone: On that date, they had 10,000 employees back at work.

The supply chain’s role

Iskandariyah is a case study in the successful application of counter-insurgency approaches championed by Gen.



Petraeus, the overall commander in Iraq. Because of the nature of insurgencies, lines between combat and non-combat operations are blurred, and economic lines of operation are a critical issue to the warfighter. It may not be called “supply chain” by the military in the field, but the underlying concept is there.

Business solutions must be pulled forward to drive employment and be used as an instrument for peace.

Supply chain management is a key element in comprehensive plans required to execute what are known as stability operations. According to official Defense Department policy, “Stability operations are a core U.S. military mission that the Department of Defense shall be prepared to conduct and support. They shall be given priority comparable to combat operations and be explicitly addressed and integrated across all DOD activities including doctrine, organizations, training, education, exercises, materiel, leadership, personnel, facilities, and planning.”

It even shows up in Army field manuals. “Stability operations may be necessary to develop host-nation capacities for security and control of security forces, a viable market economy, the rule of law, and an effective government. Security, the health of the local economy, and the capability of self-government are related. Without security, the local economy falters. A functioning economy provides employment and reduces the dependence of the population on the military for necessities. Security and economic stability precede an effective and stable government.”

You can’t have economic stability without a functioning supply chain, and you can’t make that happen without some elements of a supply chain management solution—the policies, processes, data, technology, and people—available forward as economic levers to secure the peace. It’s not the Cold War anymore.

Critical to the success in Iskandariyah has been the visible support of Sheik Sabah Khafaji, the deputy director general of SCAI, president of the City Council, and the head of one of the three largest tribes in the area.

And it is Sheik Khafaji who sent me a thank you note. Please forgive his English, but it is far better than my Arabic: “Thank you for the feelings of humanitarian [generosity] granted us. We have emerged into a reality as results of the efforts and great sacrifices made. And always will be successful work which develops human society ... and achieve security and peace for the people. Thank you for the great assistance you given us and wish you continued success, my good friend.”

Yes, a supply chain can promote peace. □

Author’s postscript: A heartfelt thank you to the brave men and women of the 501st Parachute Infantry Regiment at Forward Operating Base Iskandariyah, who did so much and gave so much. I am grateful and proud to have known you. Geronimo.