

Andrew Hoffman

IKEA's Sustainability Options: Circular Economy, Green Growth, or Degrowth

"No method is more effective than a good example."¹ — Ingvar Kamprad, founder of IKEA

Linnea Birger,ⁱ IKEA's director of sustainability, was enjoying her lunch break in the arboretum next to the company's headquarters in Delft, Netherlands, when an acorn fell on her. This happened just as she was thinking about her team's soon-due assignment from Pär Stenmark, IKEA's chief sustainability officer. Stenmark, who had come to the Swedish furniture titan in 2000,² had spoken in November 2022 at the United Nations' 27th Annual Climate Change Conference (COP27), stressing the company's vision for how affordability and sustainability should go hand in hand.³

But was that a certainty? What if affordability—increased product consumption across wider socioeconomic and geographic swaths—and sustainability were in conflict long-term? What if green growth, as IKEA was currently pursuing, was less effective than degrowth—a reduction of energy and resource use—with regard to climate change? What role should circular design play in IKEA's future?

To Birger, that acorn symbolized long-term potential. For IKEA to remain the mightiest oak in the furniture business, her team needed to plant the best strategy in the most fertile context. With a mid-year 2023 Inter IKEA Group⁴ meeting coming soon, Stenmark expected Birger's team to rank the merits and feasible options of three leading sustainability philosophies: become a fully circular operation, adopt green growth, or pursue degrowth.

Furniture Industry

Once serving as a purely functional sector, the furniture industry had evolved over decades into one centered around design and consumption. Cheap labor, low raw material prices, and technological

ⁱ Linnea Birger is a fictional character.

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