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EVALUATION OF IKEA AS A SUSTAINABLE FORESTRY ACTOR IN THE CONTEXT OF INDIA

How does IKEA legitimise itself as a sustainable forestry
actor in the context of India?

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Abstract

The ubiquity of the concept of corporate social responsibility (CSR) allows for it to be carried across all spectrums of society and moulded to fit a variety of different norms and understandings. Despite the lack of a universal definition, the modern-day understanding of CSR is heavily based upon corporation's environmental and sustainable development practices. However, it is continuously criticised for its legitimacy and the corporation's core intentions, as large corporations across the world have used the term ambiguously in order to legitimize their corporate identity, while dismissing their social responsibility to the environment and society.

On the other hand, corporations such as IKEA believes that their business model and CSR practices work interdependently, which has consequently been reflected in their global image as an environmentally and socially conscious corporation. As much of IKEA's products rely on wood, much of their CSR is focused on sustainable forestry and they disclose lengthy reports concerning their environmental statistics and results. Thus, one might question around the degree of their legitimacy; are their report disclosures present external stakeholders a holistic image of the corporation?

Therefore, this paper will analyse IKEA as a single case study, with the intent is to determine the legitimacy of IKEA's portrayal as a sustainable forestry actor in the context of India. In doing so, an examination of external stakeholder's perspectives will be evaluated to create an alternative dimension to the topic in question.

Keywords: Corporate Social Responsibility (CSR), IKEA, sustainability forestry, legitimacy, external stakeholders

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Abbreviations

CSR	Corporate Social Responsibility
LEDC	Less Economically Developed Country
FSC	Forest Stewardship Council
FM	Forest Management
FY	Fiscal Year
GFC	Global Forest Coalition
ISO	International Standard Organisation
NGO	Non-Governmental Organisation
SDG	Sustainable Development Goals
UN	United Nations
WEF	World Economic Forum
WWF	World Wide Fund of Nature

1 Introduction

The social concept of corporate social responsibility (CSR) is not a new phenomenon, it has been around for centuries as well as it is a heavily discussed topic. Despite this, today's modern-day version of CSR began taking its form in the 1950s and focuses primarily on sustainability through three main dimensions: economics, society and the environment (Carroll 2008: 19). This shift urged corporations to fundamentally adapt; structurally, operationally and culturally, to accommodate the growing global frenzy surrounding the concept (Edvardsson & Enquist 2011). This manoeuvre also required a change to the corporation's focus; a sustainable future (Uddin et al. 2008).

An example of this is the Swedish furniture company, IKEA, who is an applicable example of a multinational corporation (MNC) that has adapted its economic, environmental and social perspectives as a response to the growing social movement (Edvardsson & Enquist 2011). For instance, with wood being a large component to expanding the brand, the corporation has heavily advocated their role as a sustainable forestry actor. This is supported by their programme of an intricate web of private and public sector partnerships with non-governmental organisations (NGOs), being certified by forestry organisations as well as participating in international agreements (IKEA 2011). As a result, IKEA is one of the most regarded CSR promoters as well as a powerful development actor.

During the five-year (2013-2018) negotiations to move IKEA's operations to India, a majority of their selling points stemmed from their sustainable forestry and environmental agenda, followed by their socially conscious policies (IKEA 2011). However, upon research, IKEA's report disclosures along with external stakeholder's reports have highlighted discrepancies between the promoted agenda and the reporting.

Hence, an analysis of IKEA's overall sustainable forestry programme in the context of the negotiations in India will be performed. Likewise conducting a review of how the corporation's CSR focused agendas are utilized and translated to lay the foundation to IKEA's global identity. By explanation, how their believes and reports may be used as a tool for legitimation and conceptualisation of the organisation (Yuan et al. 2011). Lastly, reviewing external stakeholders to create a further dimension and understanding of the topic of discussion.

1.1 The Topic and Its Delimitations

The reason for researching this topic is due to IKEA being known as a strong political force as well as having a strong CSR identity. Thus, IKEA, who is often seen to going beyond the minimum standards and continuously working on improving their social and environmental performance, have their discrepancies often overlooked. This, this analysis will aid in providing a clearer understanding of the legitimacy of IKEA's agenda and reporting.

However, as the corporation itself as well as the concept of CSR is immense and complex, the scope of the research was delimited to focus specifically on IKEA's forestry practices. This is due to more than half of the raw materials used in production is wood and their environmental agenda focuses heavily on the sourcing practices of wood. (IKEA 2011).

However, to delimit the analysis further, the legitimization of IKEA's forestry practices will be done in the context of India. This will limit the scope of years between 2013 to 2018 as those were the years when the negotiations to enter the Indian market took place as well as the years of the report disclosures (IKEA b. 2018). It marked a crucial change for IKEA as it was officially operating in a less economically developed country (LEDC). This alternative and new perspective represents a visible knowledge gap in the academia of IKEA and CSR.

Furthermore, the company works profoundly with both production and consumers, however, this thesis will only be regarding the production aspect of their CSR work, in order to remain focused on the developmental aspect of this research (IKEA 2011). Thus, with this delimitation the aim is to dissect the legitimacy how IKEA portrays themselves as sustainable forestry actors through overarching production and sourcing trends in the context of the negotiations in India.

The research phase of this thesis included a keyword search using the following; IKEA, CSR, India, sustainable forestry and legitimacy. Throughout this stage, much of the data found circulated around the dynamics of stakeholder perspectives of IKEA at large, corporate management of CSR execution or the global shift in the CSR movement. The overall topic has a relatively substantial set of material and data but more so through an economic lens rather than a developmental one. Therefore, fixating on the legitimacy of their sustainable forestry reporting whilst analysing it from a developmental perspective will aid in filling in the existing knowledge gap. Moreover, the perspective of IKEA in India has limited previous research as the transition occurred in 2018. In summary, throughout existing literature there is a "lack [of] managerial guidelines" towards this focus, therefore this work will take use of this

knowledge gap by critically assessing the information collected, justify the choice of focus in order to formulate a clear perception of the previously published features (Maon et. al 2019 & Laws et al. 2013: 101).

Therefore, to conclude, these delimitations and approach will aid in detangling the complex perceptions and attitudes towards, within and surrounding the organization's commitment to sustainable forestry in India (Maon et. al 2019). As well as this research topic deserves attention as it could lead to or may have profound implications for sustainable development.

1.2 Research Purpose and Questions

As previously stated, this thesis will explore the legitimacy of IKEA's sustainable forestry agenda in the context of India. Being an MNC who is highly intertwined with the concept of CSR, the case of IKEA poses as an intriguing one. Thus, by investigating the discrepancies presented by external stakeholders, such as NGOs, CSR monitoring organisations along with the media, a more in-depth and coherent understanding can be reached. Therefore, through a qualitative methodological approach, this paper aims to adequately answer the following research question (A), and the sub-question (B);

A. How does IKEA legitimise itself as a sustainable forestry actor in the context of India?

B. How has the company been delegitimised?

2 Setting the Scene

2.1 Corporate Social Responsibility

According to Matten and Moon (2004), CSR is “a cluster concept which overlaps with concepts as business ethics, corporate philanthropy, corporate citizenship, sustainability and environmental responsibility” (335). As a result of this and its intricate history, many scholars believe the complexity of CSR is the cause for the lack of a universally agreed upon definition (Carroll 2008: 19 & Wan-Jan 2006). So, despite its omnipresence in both the private and public sector, there is still no consensual understanding, which is deemed problematic in the understanding of the set-up of programs to facilitate CSR work as well as the legitimization of the CSR practices (Sheehy 2015).

Due to this, this thesis will be adapting the International Standards Organisation’s (ISO) criterion of international standardized categories for social responsibility of private and public sector organisations (Smith 2011). The criterion, which is known as *ISO 26000*, takes use of a myriad of scholarly CSR definitions along with CSR initiatives in order to define its seven core subjects (Appendix 8.1: Smith 2011 & Sheehy 2015). The seven subjects are the following; (1) Organisational governance (2) Community involvement and development, (3) Human rights, (4) Labour practices, (5) The environment, (6) Fair operating practices and (7) Consumer issues (ISO 2019 & Smith 2011). This thesis will be taking use of the ISO’s criterion when discussing CSR, more specially subjects 5, and 6.

Through the analysis of the legitimacy of IKEA’s social practices as well as their report disclosing, this research will attempt to prove the authenticity of the corporation’s CSR practices. However, often when doing so, researchers are exposed to different levels of *greenwashing*. Greenwashing is “the act of misleading customers and potential customers into believing that a product or service is environmentally friendly”, when in fact it is deceptive advertising only intended to prove beneficial for the company and not the environment or society (Merriam-Webster 2019). This can be seen when companies are able to self-report. Many MNC’s social responsibility reports are internally performed with a lack of a third-

party audit (Kleine 2014). Thus, companies are able to alter the facts to disclose a more socially and environmentally conscious image.

Thus, this issue lays the foundation for the scepticism and cynicism surrounding CSR and urged corporations to have stricter regulations for their social responsibility work in order to minimise the extent of greenwashing. However, this resulted in corporations moving their operations to the South, where they could benefit from weaker regulations and less legislations involving sustainable development or social responsibilities (Idemudia 2011). Thus, it proved to be difficult to measure the level of legitimacy as the standards in the global South is different from that of the North, as CSR is largely from Western origins and many corporations in the global South refrain or do not participate in this hegemonic discourse (Idemudia 2011). Thus, the importance of creating a mainstream CSR agenda that is adequately firm intensifies; creating a more sustainable environment as well as equal; whether in the context of the global South or North (Idemudia 2011). On the other hand, an important aspect to consider is that of the reconceptualization of development, from solely economic growth to the incorporation of both environmental and social dimensions, which in turn manifested in the concept of sustainable development (Idemudia 2010). In a developmental sense, CSR is no longer just regarded as a way for businesses to mitigate their negative externalities from their operations but also contribute to sustainable development, especially in the South (Idemudia 2010). However, the issue remains of the CSR practices between the North and South, often put the Global South at a disadvantage (Utting 2003). The outcome of the Global South and Global North's cooperation continues to be that of environmental degradation and exploitation due to the looser legislative laws in the South (Utting 2003). Therefore, the challenge remains that when a Northern based MNCs execute their CSR agenda it needs to remain focused and centred around the needs and applicability of the South; relevant actions need to start addressing some difficult questions (Utting 2003). Thus, providing the basis for the basis of this thesis.

On the other hand, greenwashing also constituted for the vast increase in cross-sector partnerships between the private and public sector to form (Lyra et al. 2017). As these partnerships were formed in order to work with cross-sectionalism and promote the legitimacy of CSR (Lyra et al. 2017). In development studies, CSR often symbolizes the instigation for multi-stakeholder partnership between the private and public sector as well as the advancements in cooperative development (Desai & Potter 2014: 158). In other words, it is the act of development performed by the private sector and it coincides with that of governments and public sector organisations (Idemudia 2010). CSR has aided in "rethinking

the role of business in the pursuit of sustainable development objectives” but also, in changing the mindset of businesses to increase and redefine, while justifying their involvement in developmental issues (Idemudia 2011). CSR from a developmental standpoint has highlighted the importance of corporation’s response to civil society, good governance and consumer pressure as well as the importance of showing an image of an environmentally and socially responsible corporation (Utting 2003). Today, the environmental is a major dimension in corporation’s sustainable practices (Desai & Potter 2014: 329).

2.2 IKEA and Sustainable Forestry Agenda

In 1943, when IKEA introduced their first range of furniture, the founder’s wanted all to be produced by “local manufacturers in the forests close [by]” (Ikea.com 2019). Thus, showing the environmental conscious embedded in the corporation’s core ideology. IKEA also states that their belief is that products should be accessible to the many but should never be achieved at the expense of the people or the environment; thus, they prioritize products and production that contribute to reducing IKEA’s impact on climate change (Ikea.com 2019).

IKEA implemented their first environmental policy, in 1990, to ensure environmental responsibility for all activities performed by the company or its employees when conducting business (Ikea.com 2019). Furthermore, a few years later, IKEA became a member in the global forest certification organisation, Forest Stewardship Council (FSC). FSC is a not-for-profit organisation that works with managing and maintaining the standards of forests globally (FSC International 2019). This membership helps ensure that wood used in the brand’s products are from well managed forests as well as environmentally friendly suppliers (FSC International 2019).

In light of this, the growing furniture company has managed to maintain their image of being one of the most forward-thinking and sustainably focused MNCs in the world. This aspect of the company is, however, strictly upheld by the company’s sustainability reporting and CSR agenda. IKEA have taken on systematic responsibility; allowing externalities to be appropriately integrated in all decision-making processes, meaning that the corporation always takes into account the impact their acts may have on their surroundings (Kleine 2014). Additionally, throughout their internal reviews, IKEA presents the idea that a compromise between social, environmental and economic advancements will call for a better life for the majority of the people as well as their business.

Today, IKEA's sustainability programme claims they take use of advocacy, partnerships, community engagement, business incentives, innovation and entrepreneurship, transparency and reporting as well as communication, to be able to present themselves as a sustainable business (IKEA a. 2018). To strengthen their agenda of focusing on the root of the issue and thinking long-term, IKEA follows the United Nation's (UN) sustainable development goals (SDGs) to help guide their sustainability approach and all their practices reflect at least one goal (IKEA a. 2018, see Appendix 8.2). Their forestry agenda reflects 4 SDGs: goal 9, industry innovation and infrastructure, goal 12, responsible consumption and production, goal 13, climate action and lastly, goal 17, partnership (UN 2019).

IKEA's Sustainability Approach Reports also promotes their goals and aspirations for the coming years, while highlighting specific policies and what has been learnt from the previous years. Currently, 80% of IKEA's wood supply originates from more sustainable forests, however, they are striving towards 100% as 60% of the brand's products consists of wood, thus the process of wood extraction is vital (IKEA a. 2018). By way of explanation, more sustainable forests refer to forests that are well managed and protected, as well as monitored (IKEA a. 2018).

MINIMUM CRITERIA ON WOOD FOR IKEA PRODUCTS

- **Not from forests that have been illegally harvested**
- **Not from forestry operations engaged in forest related social conflicts**
- **Not harvested in intact natural forests or other geographically identified high conservation value forests, unless they are certified as responsibly managed**
- **Not harvested from natural forests in the tropical or sub-tropical regions being converted to plantations or non-forest use**
- **Not from officially recognised and geographically identified commercial genetically modified tree plantations**
- **Supplier must have procedures in place to secure this throughout their supply chain. They must know the origin of their wood and accept audits at every link in the chain. They regularly report the wood origin, volume and species used in IKEA products via the IKEA Forest Tracing System**

Figure 1: Minimum criteria on wood for IKEA products. (IKEA 2011)

Continuing, in 2012, IKEA launched People & the Planet Positive, a sustainability strategy. The aim is to mould the business and industry to be more sustainable and valuable for the life of people around the world (IKEA a. 2018). The strategy takes on three main focus areas: healthy sustainable living, fair and equal, circular and climate positive, this paper will focus on the latter (IKEA a. 2018). The aspect of circular and climate positive highlights forest positivity; promoting sustainable forest management (FM), eliminating forest degradation and deforestation through innovative approaches to management, protection, restoration and regeneration (IKEA a. 2018). These focuses are incorporated in IKEA's minimum criteria on wood, (Figure 1) forcing suppliers to have to uphold these requirements for their partnership with IKEA to withstand.

Therefore, considering IKEA's environmentally conscious history and modern-day sustainability approach, IKEA has successively created their global identity as a sustainable forestry actor and powerful developmental actor. Followed by a detailed report of how these measures help ensure their sustainable outlook. However, the question to ask is do these facts aid in tainting the legitimacy of IKEA as a forestry actor?

3 Theoretical Frameworks

When researching a large and complex phenomenon such as this one, it is vital to fundamentally define the theoretical framework to help guide the analysis. When reviewing the applied theoretical frameworks of cases similar to this thesis, much of the work reflects a variety of different theoretical and empirical frameworks. However, when considering the way in which the research questions have been phrased as well as it is being done through a developmental lens, the theoretical framework that will be applied for this research is that of legitimacy theory.

Thus, legitimacy theory will lay the basis in the exploration of IKEA's forestry reporting and in the analysis of the legitimacy of their reporting. The fundamentals of this research will be based on Suchman's (1995) definition that "legitimacy is a generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions" (574). As well as the conception presented by Burlea Schiopoiu and Popa (2013), that the theory itself can be seen as "a mechanism that supports organisations in implementing and developing voluntary social and environmental disclosures in order to fulfil their social contract". Today, the use of legitimacy as a theoretical framework is being utilized as a tool to understand CSR practices across the world, especially in LEDCs. It has already been an extensively utilized theory when addressing "CSR reporting practices of organisations [or corporations] operating in the developed world" (Islam 2017). Hence why legitimacy theory has been utilized to analyse a single industry, corporation or even a specific issue within the concept of CSR, therefore, deeming it fitting for this thesis as well.

The origins of legitimacy theory are rooted in the theoretical paradigm of political economy. It draws from a range of different disciplines and stems from the fact that economic, political, social and institutional frameworks are interlinked (Islam 2017). It, therefore, aids in providing an insight of "the interrelationship between an organisation and related social expectations is just a reality of social life" as well as social expectations; understanding the concerns of the public has become an essential prerequisite for a corporation (Islam 2017). This insinuates, again, that legitimacy theory relies on the idea of a "social contract", a contract between the society and the organisation in question, an

interlinked relationship (Islam 2017). To clarify, if society grants the corporation access to operate, then the corporation will operate within the societal expectations and do no harm. Therefore, this paper will also review the phases of legitimation; how the corporation gained legitimacy, what it does to maintain it as well as repairing legitimacy. As well as understand on what bases they are able to uphold their legitimacy or to what extent their ability to legitimation is failing.

To continue, Max Weber, a German sociologist and political economist, was one of the first to dive into the question of legitimacy (Smith 1970). Even though, Weber focuses on politics and the government, his three validity claims to legitimacy can be adapted into the corporate world of development. The three claims: rational grounds, traditional grounds and charismatic grounds all reflect on what basis their claims are legitimate. Are claims accurate because of legality and rules (rational grounds) or perhaps the exercise of authority (traditional grounds) or resting on devotion; their exemplary character (charismatic grounds) (Smith 1970)? These three claims will, throughout the analysis, contribute to understanding the level of legitimacy is being discussed and to what capacity the reports publicised by IKEA are legitimate.

4 Methodology

4.1 Research Design

The methodological design applied to this research is a qualitative single case study, as the aim is to create a “detailed and intense analysis of [the complexity of] a single case”, focusing on the depth rather than breadth (Bryman 2015: 66 & Flyvbjerg 2007: 402). The aim is to investigate and examine empirical material, review external stakeholder’s reports as well as IKEA’s disclosed reports on sustainability, specifically forestry. Subsequently, the data collected from IKEA and the decided upon external stakeholders, will aid in creating a new understanding and lay the basis for the analysis (Yin 2002).

The use of qualitative data was chosen due to the fact that the research question is aiming for an explanation of the exploration, meaning that this research is built around an experiential understanding (Stake 2010: 20). Likewise, qualitative research is subjective, it highlights new information but does not necessarily aid in creating generalisation. The choice of a qualitative case study assists in understanding the “long, episodic and evolving presence” of the phenomenon along with disclosing the complexity and its level of legitimacy (Stake 2010: 29 & Maon et. al 2019).

4.2 Method

This thesis will take use of textual analysis, which is a “systematic procedure for reviewing [and] evaluating [a variety of texts and] documents – both printed and electronic materials” (Bowen 2009). This was decided upon due to texts being a valuable source of information and this approach focuses on what the documents contain within them (Prior 2012). The purpose of this method is to examine and decipher secondary data in order to gain more knowledge of the “social facts” and develop the collected data further, however, it is important that the documents remain unconstrued by the researcher (Bowen 2009). When

discussing textual analysis, there are two prominent forms of it within the field of social sciences: discourse analysis and content analysis. In this case, content analysis will be adapted in order to systematically and unobtrusively analyse the wide variety of texts; official documents and cultural documents (Halperin & Heath 2012: 318). As this paper's research question is phrased to examine the *how*, a qualitative content analysis will be applied in order to "expose the meanings, motives and purposes embedded within the texts; [...] the underlying meanings" (Halperin & Heath 2012: 319). A qualitative analysis can produce reliable and valid results to a degree; it relies heavily on how the analysis is executed and the information provided about the sources; how the data was analysed (Halperin & Heath 2012: 328).

4.3 Empirical Material

The foundation of this research lays in the extensive analysis of texts; theoretical and empirical literature, reports, the media and online publications. The analysis focuses heavily on IKEA's digital reports and online platform as well as documents from external sources, see *Figure 1*. These sources were inductively analysed and reviewed with the intent to answer the research and sub-research question. In the early stages of the research, it proved difficult to find available IKEA sources and thus, the following were decided upon as they covered the topic wished to discuss in this paper. However, the whole document was not reviewed as only segments focused on wood production, sustainable forestry and sustainability, which were the keywords used to identify passages throughout the text and aided in indicating thematic ideas (Halperin and Heath 2012: 323).

Nevertheless, in order to avoid a one-sided argument, external views of the phenomenon were collected. There were three categories; CSR monitors, NGOs and the media. These categories were decided upon as they allowed for a varied understanding of the external stakeholder's views. For the CSR monitors, the documents used were publications of results from their own analysis; focused on the perception of corporations. The same documents were used for NGOs, however these reports focused on their partnership with IKEA directly. Lastly, the documents used for the media category were articles and interviews. Thus, using the same keywords, a collection of different sources was found and to narrow down even further there was a focus on having recent sources as well as all three interlinked to some degree.

The remaining theoretical and empirical literature aided in the fundamentals surrounding the analysis and were selected using the same keywords in a variety of academic journals, online searches, specifically LUBsearch as well as local libraries.

Type of Document	Year and Name of document
IKEA Digital Reports	2011 – The IKEA Group Approach to Sustainability 2014 – Business needs climate change policy leaders 2016 – Sustainability Report FY16 2017 – Yearly Summary FY17 2018 – People & Planet Positive 2018 – The IKEA Sustainable Report FY18 2019 – Wood and IKEA 2019 – IKEA in India
IKEA [Online]	2019 – IKEA and WWF Conservation Partnership 2019 – Our values 2019 – Our business in brief
CSR Monitors	
Sigwatch Reports [Online]	2016 – Corporations that NGOs loved and hated in 2015 2017 – NGO tracking and issues analysis
CSRHub [Online]	(?) – Sustainability and Corporate Social Responsibility ratings
NGOs	
WWF Digital Reports	2019 – WWF and IKEA 2019 – IKEA and WWF: Together we make a difference!
FSC Reports	2019 – IKEA: creating a sustainable world 2019 – FSC Suspends IKEA’s Certification
The Media	
Media [Online]	2012 – The Guardian 2019 – Interview med Russian Forest Ecologist about IKEA 2019 – Media Release

Figure 1. Review of Texts

4.4 Limitations

Through a qualitative single case study and a content analysis approach to the research, the ability to generalise from the basis of this individual case is limited (Flyvbjerg 2007: 390). Followed by the fact that case studies have a high chance of suffering from biases towards verification, as it can be argued that it tends to confirm the researchers preconceived notions (Flyvbjerg 2007: 390).

The above limitations generalise case studies as discretionary and subjective. However, case studies remain a necessary approach as they contribute extensively to the study of human affairs (Flyvbjerg 2007: 402 & Stake 2000: 19). They tend to create a more “down to earth” and “attention holding” aspect to social phenomena, making it more applicable in certain cases (Stake 2000: 22). In terms of generalisation, the goal for this research is to formulate a more in-depth understanding of the legitimacy of IKEA’s forestry agenda and reporting, thus generalisation is not a priority. Therefore, due to the complexity of this research topic, a qualitative single case study will aid more in minimising the potential limitations.

Furthermore, measuring legitimacy through secondary sources can be proven to be difficult. As this paper has not collected any primary sources concerning the specified topic, it relies only on secondary data and the work of others to create an understanding of the problem (Allen 2017). Nonetheless, the information collected will aid in examining the question of legitimacy as well as present any possible misconception or misconception.

As touched upon, this methodology faces potential exposure to biases such as, selection bias, which is especially common when utilizing secondary sources. This is due to consciously or unconsciously choosing the account that most fits the argument investigated (Halperin & Heath 2012: 330). Therefore, understanding selection bias and being aware of it will aid in not warping the information collected into personal preconceived notions. However, seeing as the time frame to execute this research is relatively short, reviewing every source would not be fathomable as well as there is a limitation to the accessibility of certain sources, especially internal reports.

Nonetheless, there are multiple limitations to consider throughout this analysis, though this can be solved with precision, awareness and it may in turn lead to a more finetuned and delimited approach to the project.

5 Analysis and Discussion

5.1 IKEA: The Sustainable Forestry Actor

IKEA has been present in India for over 30 years, however, not as an operating business but rather through sourcing raw and natural materials (IKEA a. 2019). This analysis will be discussing the legitimacy of IKEA's case during the negotiations to enter the Indian market. During these negotiations, IKEA worked extensively for five years, 2013 to 2018, to promote their economic advantages, while systematically presenting their environmental and socially conscious persona (IKEA 2017). As a result, IKEA opened, what they consider a major milestone for the corporation, their first store in Hyderabad in the spring of 2018 (IKEA 2017). By presenting the corporation's core believes and environmental report disclosures, they were able to convince their Indian counterparts to begin an operating partnership. Therefore, one should question the legitimacy of IKEA's environmental report disclosures; do they justifiably present IKEA as a sustainable forestry actor and do the evidence support these claims?

According to the reports, the corporation sources approximately 315 million euros a year worth of products, majority being cotton but also a vast amount of wood, from India (IKEA a. 2019 & IKEA 2014). However, in 2018, when IKEA began operating in the Indian market, the aspiration was to double it in the next coming years in order to meet the global and Indian needs as well as, especially, promoting India's forestry sourcing (IKEA a. 2019). Prior to 2018, IKEA worked with 48 different suppliers in India, who the brand hopes to inspire to adapt more sustainable sourcing techniques through IKEA's supplier's code of conduct, IWAY (World Economic Forum 2019). This shows to be a classic example of IKEA using previous work to promote their image, at the same time promoting it further through making long-term future engagements as a sustainable actor, whilst, simultaneously advocating for improving and developing their forestry sourcing. Whilst it also provides an example of how IKEA is able to gain their legitimacy and fundamentally secure their image as a powerful sustainable actor as they follow up and push forward the sustainability agenda.

Also, by presenting previous work and potential scenarios IKEA is able to strengthen their argument, however, if reports and external stakeholders are not able to legitimize IKEA's sustainable forestry practices, does it weaken their claim?

Throughout the negotiations, IKEA promoted themselves through their already established identity by providing a holistic approach to their fundamental beliefs as a brand (IKEA 2014). IKEA relies heavily on their already established image as an environmentally conscious MNC, thus, placing their legitimacy in their charismatic grounds of their exemplary character. According to the disclosed reports, there were lengthy discussion as to the misconception of MNCs arriving in the South only to utilize their more lenient legislation on sustainable development and expand their market at a lower cost. However, IKEA provided evidence of their advocacy for change; working with local NGOs to alter the existing regulations to be harder on MNCs and strengthen everyone's environmental responsibility (IKEA 2016). An example of this is the advocacy IKEA and Greenpeace are continuously doing in Australia to strengthen the legislations for their raw material extraction (IKEA 2016). Throughout negotiations, IKEA takes use of their history and identity to explain how essentially all their work strives, since the mid 1940s, towards contributing to a sustainable future and thus, in turn, they would continue to do so in Indian. These core believes were narrowed down to the combination of simplicity, hard work, striving to improve, taking responsibility and portraying leadership (Ikea.com a. 2019). Therefore, IKEA says they will reach their goals by 2020; such as all wood being sourced from sustainable and responsible forests and there being significant declines in their wood-waste (IKEA 2016). Whilst also aiding in minimizing the waste of raw materials by collecting straws from suppliers in the North to use as renewable material for IKEA products and to use to fill out wooden products in order to minimize the use of wood (World Economic Forum 2019). This will ambitious model will be costly and a huge commitment for IKEA but the aspiration to rest on devotion as sustainable forestry actor is above that. The above is a clear representation of how the corporation is able to uphold their legitimacy and claims, by setting goals and taking use of their previous experience, they cement their legitimacy in their work and disclosed information. However, how can one know that the disclosed information is reflective of the actual results?

Accordingly, Nivedetta Moirangthem, the Public Relations Manager for IKEA India stated that the similarities in their fundamental social and environmental beliefs, allowed IKEA to present facts and promises to help promote the importance of how their basis as a company can aid India in more ways than it could pose as a hinder (IKEA 2017 & 2016).

Subsequently, insinuating that the legitimacy of their work can be taken for granted due to their commitment and identity as well as the presenting the idea that IKEA has conformed itself to the social and environmental requirements of society.

According to the summary of the FY17, IKEA also agreed upon with the government to extracting 30% of its raw material from local Indian markets (IKEA 2017). Doing so, IKEA is able to confirm the legitimacy of their sustainability agenda in legal terms as they are making a commitment on a legal level by accepting and acknowledging the aspirations of the local government offices.

Prior to the negotiations, IKEA and WWF started a three-year project, 2006 to 2009 in India, in particular, to introduce Better Management Practices for cultivating cotton (Ikea.com 2019). Specialist were introduced and trained farmers to acquire more environmentally friendly and healthy ways of cultivating cotton (Ikea.com 2019). The corporation used this example to propose a similar project that would address the same practices but focusing on the extraction of wood. As the company's IWAY provides training and informative requirements, IKEA's hopes are to translate what they did with cultivating cotton to the Indian forestry market (Mo 2017). The wood extracted will primarily be bamboo as the ambition is to develop the bamboo standards in the Indian industry so that market is not fixated in China, where the history of illegal forestry is highly present (IKEA 2019). However, in 2017, they confirmed that 100% of the wood extracted from high-risk countries were from more sustainable sources.

This manoeuvre allows IKEA to apply their preventative measure to assure that all counterparts and suppliers are reviewed so the supply chain remains sustainably safe and intact. Along with, supporting their self-image of constantly striving for more sustainable sources.

However, the need of wood is continuously growing as the corporation is expanding their franchise and adapting their products to fit that of the various cultures the brand is exposed to, *Figure 2*. IKEA assert the level of sustainability in their sourcing of wood has increased significantly in the last half decade. Thus, as a result, IKEA is in need to expand their availability of extracting sustainable wood.

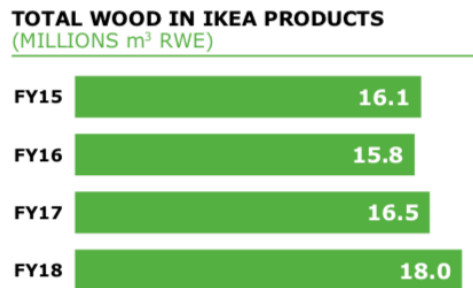


Figure 2: Increasing Total Supply of Wood (IKEA b. 2018)

In the midst of negotiations, IKEA’s corporate finance, insurance, treasury and tax manager, Krister Mattsson revealed that IKEA had accelerated their investments in their core business and in addition, renewables, forestry and the circular economy (IKEA 2017). So, by the end of FY17, IKEA owned up to 100.000 hectors of forest, most of which are found in India, which they heavily regulate in order to fit the criteria as a sustainable forestry actor (IKEA 2017). This falls in line with the corporation attempting to create a reliable and justifiable case for how they are a sustainable forestry actor, through promoting their sustainable aspects, their focus on safe forestry and the importance of raw materials. Thus, also allowing the Indian government and those parties involved to review their reports and provide a clear and transparent portfolio with the required materials (IKEA 2017). Therefore, IKEA by taking use of their already established international identity, they were able to build on this, while suggesting future engagements to improve the standards of India. However, the coming sections will review the legitimacy of their claims.

5.2 IKEA’s Forestry Agenda: Results & Challenges

In response to IKEA’s claim that all their sourcing from high-risk countries is 100% from sustainable forests, according to the reports are correct. However, this is only from high-risk countries, which contributes to approximately 30% from all supply of wood, Figure 3 (IKEA 2019). New reports claim that the corporation aims for 100% of its wood sourcing should come from more sustainable forests by 2020, however, currently, they are at 80%, showing a steadily increasing, Figure 4 (IKEA 2019). On the other hand, IKEA’s newest report states that this staggering number may reach a stagnation (IKEA 2019). This is due to approximately one third of the corporation’s wood being processed in China and Russia and these nations have a high tendency along with a long history of illegal and unsustainable

logging (IKEA 2011). By way of explanation, IKEA should not have claim 100% sustainable sourced wood in their negotiation in India, as there have been issues with receiving illegally sourced wood from the warehouses in China and Russia. Nonetheless, to compensate for this, IKEA has placed two thirds of their forestry specialists to focus on this area and prevent the possibility of receiving illegal wood (IKEA 2011). Continuing, 80% of retail markets in which IKEA is present in, have legislations against illegal logged wood and to strengthen this, IKEA has joined the Timber Retail Coalition with the EU; the Forest Legality Alliance in the United States; and Greenpeace and IKEA have created a common platform to bring a legislative rule to Australia, as previously mentioned (IKEA 2011). Supporting the claim that IKEA is a great advocate for sustainable forestry, however even with these preventative approaches, IKEA still faces issues acquiring high quality wood for the price they are aspiring for therefore claim it is the unsustainable thinking of certain suppliers that hinders their success (IKEA a. 2018). However, one can also question why IKEA significantly increased their disclosed reporting of sustainable forestry? Was it to further legitimize their cause or to avoid further investigation?

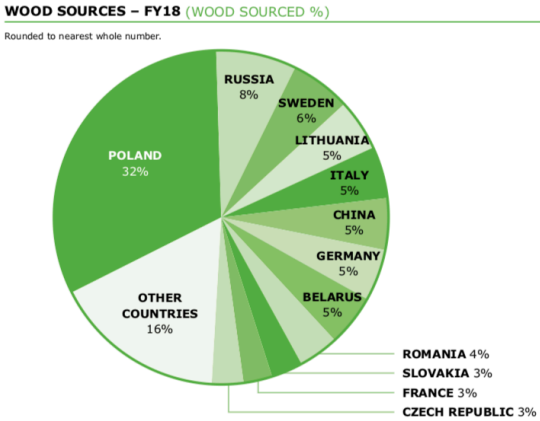


Figure 3. Wood Sources (IKEA 2018)

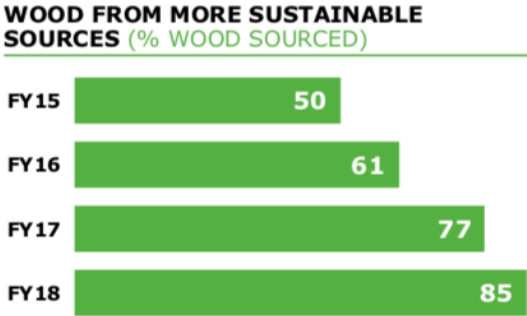


Figure 4. Wood from more sustainable sources (IKEA 2018)

IKEA's agenda focuses on designing products have the possibility from the beginning to be repurposed, repaired, revised, resold and recycled, while still using more renewable and recycled materials (IKEA 2011). In 2018, IKEA was able to use "60% of the [...] renewable materials and 10% contains recycled materials", however the goal is to reach "100% renewable and recycled materials by 2030" (IKEA a. 2018). An issue that presents itself is the lack of clean and recycled materials, however WWF in India and IKEA are already cooperating to source recycled paper for the packaging there, an aspiration is to spread this to other countries (IKEA 2018; Världsnaturfonden WWF 2019). Through partnerships, IKEA is aiming to create products with less material and often that is the case in their products that use a lot of wood. These partnerships aid IKEA in upholding their legitimacy, especially when they face scrutiny, which they did with the sourcing in Russia and China. However, it seems as the challenge to create the best from every trunk still remains, while also being able to trace the supply of wood; making sure their agreements and FM is upheld (IKEA 2011). According to the most recent report, "if the sawdust, chips and bark produced can't be used as a material for new products, they are usually used as biofuel to produce heat or electricity" (IKEA b. 2018). Therefore, in fiscal year of 2018 (FY18), September 1st, 2017 to August 31st, 2018, IKEA produced 1.278.218 tonnes of wood residue but only 0,2% went to landfill (IKEA b. 2018). However, what is excluded in the report is factual evidence or verification of what was done with the other 99,8%. As IKEA's waste report strategically disregarded wood waste when claiming that its industrial sector produced 47.363 tonnes of waste with 96.3% of that being recycled or incinerated for energy use. Thus, calling into question the auditing? Who verifies IKEA's claims, is it an external source or are they legitimizing themselves? However, throughout the commentary the wood, as a source of waste, is continuously referred to, though it is disregarded in their numbers, causing to question the intent and transparency of their case. Thus, it calls to question why there is no numerical reference to the wood waste, as well as IKEA's transparency as it is not representative of the amount of wood waste or that recycled and incinerated.

5.3 Follow-up Framework

During the negotiations, IKEA told Indian authorities that their results can be trusted by as they are justified by their follow-up framework and monitoring. IKEA has organised a reporting system every four months that requires all of their suppliers to report the origin of

their wood, this allows for a form of risk assessment and planning the supply audits (IKEA 2011). As a secondary security measure, a supplier is also required to be able to report their wood source within 48 hours of the request (IKEA 2011). This provides a strong sense of legitimacy of the work ethics placed upon the monitoring of IKEA's forestry agenda as it provides a justification for the premeasures the corporation takes in order to minimise non-sustainable forestry practices. Therefore, suppliers need to comply to the minimum requirements; training, collecting wood origin data, traceability system, identification and verification of high-risk sources (Mo 2017). This compensates for what some critics classify as IKEA's lenient IWAY, Figure 1 (Mo 2017).

IKEA has furthered its follow-up framework by identifying high risk suppliers and what forests are located in areas that may also be considered high risk. This follow-up framework will also be adapted in the Indian market to guarantee the legitimacy of their practices. Thus, IKEA urges its suppliers to acknowledge and follow the forest certification schemes adapted by IKEA themselves. However, in order for this to be executed, independent auditors are required to monitor suppliers' actions and their resources are fixated on FM and chain-of-custody certification (IKEA 2011). NEPCon is the most frequently used external auditor to review the suppliers supply chains; these corporations have a large base of supplier and forestry data (IKEA 2011). Thus, allowing for any imperfection to be highlighted and therefore, limiting deliveries of unwanted wood to IKEA. However, it is important to note that Swedwood is an industrial group that supplies wood to IKEA, but IKEA is also their parent organisation (Bloomberg.com 2019). Hence, this could prove to be a conflict of interest as they are not always exposed to third-party auditors, showing an infraction in possible wood supplies.

However, through stiff competition, receiving the volume needed to fulfil IKEA's sourcing has proved to be the biggest challenge, facing a threat to the corporation's sustainable forestry sourcing (World Economic Forum 2019). On the other hand, intertwined with IKEA's environmental agenda, a numerous number of projects with World Wide Fund of Nature (WWF) are in progress and a challenge that these projects focus on, in particular to, is addressing the issue of illegal logging and unsustainable FM (Världsnaturfonden WWF 2019). WWF helps provide a variety of different specialists that focus on these different aspects of wood and forestry; (1) cross-border trade, (2) avoiding to operate in forest-related social conflicts, (3) wood that is not harvested in natural forests in the tropical and sub-tropical regions being converted to plantations or non-forest use, (4) avoiding officially recognized and geographically identified commercial genetically modified tree plantations,

(5) and lastly, not harvesting from Intact Natural Forests or other geographically identified high conservation value forests, unless certified as responsibly managed (IKEA 2011). Thus, these frameworks posed as a safety net for the Indian officials as it gave substantial information about how practices are followed up, but again there were aspects to which were not fully disclosed during the negotiations. Does this question their legitimacy as clear discrepancies could be highlighted?

5.4 External Stakeholders Review

The anomaly that presents itself is how IKEA can remain affordable and environmentally conscious while extracting million tons of wood from the rapidly eradicating world forests (Maon et. al 2019). Therefore, this section will be taking a closer look on how external stakeholders view IKEA in this specific case and if it can aid in creating a more holistic image of the corporation.

5.4.1 CSR Monitors

Since the year 2010, Sigwatch, a CSR monitoring organisation, has been collecting data from NGOs, international databases and reviewed the possible trends throughout major MNCs (Sigwatch 2017). Even though the relationship between NGOs and corporations has increasingly improved and strengthened the legitimacy of CSR, the collected data still shows a level of scepticism surrounding NGOs view of the corporate world (Sigwatch 2017). The investigation consisted of the review of 22 corporations, including that of IKEA, Walmart and Apple, in an attempt to determine the net difference in NGO praise and criticism between the years of 2012 to 2016 (Sigwatch 2017). The organisation wanted to review both the praise and criticism of a corporation in order to understand, to a certain degree, the legitimacy of it. Also, all 22 corporations are ones that are highly regarded for the CSR conscious persona.

The results of the research showed that, in relation to other corporations, IKEA was considered to receive more praise than criticism (Sigwatch 2017). However, a trend in the criticism was that due to the corporation closely monitoring the social and environmental concerns of NGOs and the global trends, they are constantly adapting their global image to fit the needs of society (Sigwatch 2017). Thus, questioning the legitimacy of their work, as many believed is constantly adapting to fit the trends to strengthen their identity allows for a

misconstruction of their actual practices. Some criticism referred to this as a sense of modern-day greenwashing, that today a handful of corporation's CSR agenda lays on the formidable reputation rather than execution of social and environmental work (Sigwatch 2016 & 2017). Therefore, one could call into question how IKEA's constant positive view on their environmental policies allows for a diffusion of the holistic image; is the corporation as transparent as they claim? The report also gave insights to how complex a corporation's reputation is and how relationships with certain NGOs, such as WWF, have strengthen a corporation's image as supporters often hold NGOs at a high standard and are simply attracted to their agendas. It also puts into question the ground in which IKEA has placed its legitimacy in, can one solely trust the legitimacy of IKEA's practices due to its environmentally friendly image?

On the positive side, many organisations who praised IKEA for their work argued for that their incentives are correct and do advocate for a sustainable development as well as the concept of CSR allots to a lot of negativity. By a way of explanation, whether or not MNCs are applying emphasis on their CSR agenda for economic or social or environmental reasons, the emphasis still remains on a sustainable future (Sigwatch 2016). Therefore, if MNCs are expanding their CSR agenda in the hopes of doing it for their reputation, should this necessarily be considered a negative aspect as they are still upholding their social responsibility? It is also important to note that IKEA is constantly praised as one of the most loved NGOs (Sigwatch 2016).

This was also supported by the company's presence in the 98th percentile in an environmentally conscious comparative study of 18.020 companies in 141 countries worldwide (CSRHub 2018). The study used data from organisations such as World Economic Forum (WEF), the UN global compact and Morgan Stanley Capital International to name a few, to compare IKEA's sustainable and environmental agenda to the other MNCs (CSRHub 2018).

5.4.2 Non-Governmental and Non-Profit Organisations

When an NGO and corporation work together, it is important that the information between the two coincide so there are no discrepancies between the two groups (Choi 2018). As the relationship of "CSR partnerships have broadened and deepened in content and form", it helps to understand how NGOs legitimize the works of corporations through advocacy and

their global image (Choi 2018). As the two should reflect each other, this section works on clarifying IKEA's legitimacy and how the relationships with NGO's work.

The ability to review NGOs views and partnerships of IKEA is vital to this research as often the fundamentals to the growing cross-sector partnerships between the private and public sector lays in legitimizing corporations CSR practices (Lyra et al. 2017). Likewise, literature supports this claim as having NGOs support MNCs claims of sustainability has proven to be a huge factor in strengthening societal trust (Lyra et al. 2017). However, according to Remund and McKeever (2018) the partners need to share central values for effective partnerships, including having core beliefs that match that of the others. There is also the importance of strategic alignment, which can reflect the similarities in the reports and factual collections by both WWF and FSC.

WWF, who is one of the world's largest conservation organisations, and IKEA have, since 2002, created numerous projects where the two cooperate to create a larger focus on sustainable FM and responsible sourcing (IKEA 2011 & 2019). Overall the relationship between the two has held strong in their close to 2 decades of cooperation, with WWF working significantly with advocating for IKEA's sustainable practices (WWF 2019). Yet, when reviewing WWF 2017 case study concerning the company's motivations and responsible sourcing of wood, the author states that it is in IKEA's best business interest to pursue responsible sourcing including the fact to keep the business viable (Mo 2017). Continuously, WWF conducted a market research of 8.000 customers across 8 different countries, who regarded wood sourcing as the second most important issue for IKEA to address and report on (Mo 2017). Therefore, the company spends millions on advertising and promoting their brand as a sustainable forestry actor to ensure a positive association with its customers and thus lays the foundation for their partnership.

On the other hand, a share of 57% of their responsible sourcing as well as the 4% that is recycled wood comes from FSC (Mo 2017). This fact shows that IKEA does not cover their entire share of responsible sourcing and has contracted outside of the organisation. It also calls to question the monitoring FSC carries out on their auditing of well managed forests and the chain of custody; does IKEA provide a third-party auditor to review the works of FSC to verify their sourcing of wood?

As previously touched upon, FSC is a network that promotes sustainable FM in a responsible manner via a set of consultative processes (IKEA 2011). FSC sets international standards, certifies forest managers and forest product producers, such as IKEA, who supports and joined in when it was founded in 1993 (IKEA 2011). Due to the magnitude of FSC, the

aspiration to protect every tree and verify all its certifications have proven difficult and therefore, FSC representatives have claimed that there have been discrepancies as well as gaps in the regulations (Global Forest Coalition 2019). This allows for the questioning on the legitimacy of IKEA's claims that all their wood is certified as there is a chance of a discrepancy. However, as FSC is the only forest certification scheme to have proven to be "credible, reliable and widely recognized by stakeholders", it still remains to be the most effective risk management tool for a MNC its size (Mo 2017). Thus, critics claim that this may be beyond the works of IKEA as they are relying on the international scheme to support their work (Mo 2017).

Through analyzing these different NGOs and understanding their perspective on IKEA's image, it can be stated that there are disparities in how IKEA claims to fundamentally promote their sustainable forestry and that it may lay more in the promotion of their image.

5.4.3 The Media

Throughout a review of media outlets, there are articles surrounding controversy of IKEA's forestry identity. Especially, after the publications of the corporation's sustainability approach and goals in 2011 and IKEA's vow to increasing the use of wood from more sustainable forest. Towards the end of FY2012, there was a media frenzy surrounding IKEA executing logging on ancient tree grounds (the Guardian 2012). Numerous media outlets circulated the news along with a variety of Russian based and global forestry alliances, who questioned IKEA's legitimacy. In conjunction with a sense of skepticism throughout texts, questioning whether the corporation's goals are conceivable and if they are as transparent as their identity portrays. The reports also urged FSC to suspend IKEA's certification as this supported that the corporation was in fact going against their established criteria (FSC 2019). However, this event is not highlighted by IKEA and the report of a suspended certification was not reported on.

Swedwood was also accused of clear cutting old-growth Russian Forests for use in furniture (Skyddaskogen.se 2019). These forests are unique and have a high conservation value as well as have been standing for at least 200 years. The corporation cuts down approximately 1.400 acres of forests a year and when comparing this to IKEA's own reports, there are issues of following through and reviewing the wood received from Swedwood (the Guardian 2012). The Guardian interviewed a representative of the Global Forest Coalition (GFC), an alliance of NGOs, who openly condemned IKEA's forestry activities in Russia as

well as the alliance has released its own reports concerning the corporation's activity in Russia (the Guardian 2012 & Global Forest Coalition 2019). It has also discussed how IKEA has managed to relatively openly dismiss the accusation due to its image as an environmentally friendly giant; using its image to dilute the magnitude of the issue (Global Forest Coalition 2019). However, for a company its size and yearly financial gain this should not be a standard.

It is important to note that IKEA has claimed that they do not operate in old growth forests, however Russian forest conservation data has proven otherwise. Approximately 10% of Karelia, an area in Russia, ancient old-growth forests remain and Protect the Forest a Swedish nature conservation organization announced that IKEA has, in fact, clear cut areas with ancient trees (Global Forest Coalition 2019 & FSC 2019).

6 Concluding Remarks

Reflecting upon the previous chapter, the legitimacy of the role of IKEA presented during the negotiations in India as a sustainable forestry actor may definitely be questioned. As discrepancies between IKEAs remarks, their reports as well as the views of external stakeholders were found and proved to not in sync with each other, it does provide an understanding that IKEA may not fully live up to its high expectations they present as well as one is able to find disparities between the variety of texts and documents. However, it is important to note that the different texts have different intentions and points of views to promote.

To answer the primary research question, the legitimacy of IKEA as a sustainable forestry actor in the context of India one can state that there are discrepancies between IKEA's portrayal of themselves and how the empirical material reflects this. On the other hand, whether or not IKEA performs their sustainable forestry agenda for economic gain or sustainable development does not prove the legitimacy behind the case, it is the mismatch of facts presented in the reports and the identity portrayed by the company.

Therefore, the answer remains complex. According to IKEA's own reports, they do support and reflect their claim to be a sustainable actor, presenting their overall goals, focus and the importance of a sustainable production. However, the reports that IKEA, in the context of India, stated to be transparent, have strategically withheld information, such as presenting IKEA's total industrial waste but disregarding that of wood. Continuing, the external stakeholders do provide an alternative dimension by providing different views and bring forth dilemmas faced when discussing this topic. Sigwatch brings forth a review of multiple NGOs saying that IKEA's environmental CSR agenda receives more praise than criticism. WWF and FSC claims that while IKEA often disregards their business and economic drivers when highlighting their forestry agenda, along with a few discrepancies, most of their work is legitimate. Likewise, any corporation at that scale will be exposed to a certain level of scrutiny and review. However, these factors do cast doubt on the legitimacy of the forestry practices as the strength of IKEA's case diminishes and one could claim that the fundamentals behind IKEA in India may be questioned to a certain degree. Nonetheless, the work done by IKEA for their sustainable forestry agenda cannot be completely dismissed as

they have made significant progress and pushed other furniture companies to adapt similar practices.

6.1 Reflection and Future Research

To continue, questions do still remain whether or not any MNC today is able to conduct their CSR work without any question of legitimacy? By reflecting back on the questions in Chapter 2, is the negative approach and questionable regard to CSR proving to make it more difficult for corporations to efficiently implement their social responsibility in their agenda? When MNCs approach CSR with an economic motivation, does that minimalize their CSR agenda, or should all motivations towards it be supported as any work towards a sustainable future is better than no? How are corporations able to efficiently work with environmental and social aspects when they are constantly under scrutiny? Perhaps through creating a more definite definition or guidelines for corporations will aid in minimizing the struggles.

Overall the purpose of CSR is to aid in strengthening the morals of how corporations conduct their business, while having a positive impact on society, the environment as well as working towards sustainable development.

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8 Appendix

Social responsibility: 7 core subjects



8.1 ISO 26000

(International Standards Organisation 2010)



The UN's Sustainable Development goals (SDGs)

Many of the global sustainability challenges and calls for action are described in the UN's Sustainable Development Goals (SDGs). Launched in 2015, the SDGs provide an inspiring framework for collective action. They guide us as we develop the IKEA business, set ambitions and engage with our partners.

8.2 The UN's Sustainable Development Goals

(IKEA a. 2018)