

IKEA: THE PROGRESSIVE BIG BOX STORE FROM SWEDEN

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Tom Forbes is an avid Walmart supporter and waxes eloquently about his visit to the Bentonville headquarters. In a column for the *Moscow-Pullman Daily News* (8/15/07), he lashed out at Portland officials who have successfully barred Walmart, but have warmly embraced IKEA, the Swedish superstore chain. Forbes says that IKEA is "the very antithesis of smart growth," and that it only "caters to yuppies." He charges the Portlanders with "bald-faced hypocrisy and snobbery."

When I was a poor graduate student in Denmark in 1971-72, I didn't know what a yuppie was. (I certainly was not one.) All I knew was that IKEA was the only place (the Danes do not have Goodwill) I could find affordable furnishings for my apartment. In addition to the ease on my pocketbook, my senses were treated to simple and elegant Scandinavian design. I also enjoyed the fact that I assembled all the furniture myself. I now realize that self-assembly allows for a "flat packing" that dramatically cuts shipping volume.

In many communities people organize petitions to request that IKEA come to them, rather than collecting signatures to keep them Walmart out. IKEA's success can have its dark side. When the first store opened in Saudi Arabia, customers were so keen on getting the \$150 offered to the first 50 in line that there were two deaths and 16 injured.

Grist, the on-line environmental watch dog, states that IKEA "puts every big U. S. retailer to shame. From the wood in its products [managed forests only] . . . to the energy efficiency of its distribution network, IKEA has outlined tough, progressive standards almost unheard of in the U. S." IKEA's new goal is to skip buying carbon credits and run all of its stores 60 percent on renewable energy by 2009. Portlanders were right when they declared that IKEA "shares our values."

It is true that the Portland IKEA store is 280,000 square feet and that much of the inventory is no longer made in Sweden. It started outsourcing to Poland in 1961 and 33 percent of its stock now comes from Asia, China being its number one supplier.

After years of promoting "Made in America," Walmart, in a dramatic about face, is now the world's largest importer of Chinese goods, 80 to 90 percent of Walmart's shoes and housewares coming from that source. Many American Walmart suppliers survive by becoming "branded distributors" of Asian goods, and many more will soon give up their own American factories.

In response to charges of the poor working conditions of its suppliers, IKEA signed an agreement with the International Federation of Building and Wood Workers and promised not to use child labor and to follow worker health and safety procedures. On the spot inspections by reporters have found violations in IKEA factories, but at least the investigators can find the foreign factories. Walmart refuses to reveal the location of most of its suppliers.

IKEA employees are unionized in Europe and Canada, but Walmart, using the most sophisticated and underhanded anti-union tactics, has been successful in thwarting every attempt by their employees to bargain collectively. Walmart chose to shut a new store in Canada rather than recognize a legitimate union.

Walmart has been forced to accept collective bargaining in its Chinese stores, but it must be noted that these unions are controlled by the government. In response to the question of why they would allow unionization in China but not in other countries, Walmart spokesman Jonathan Dong said that they liked the fact that Chinese unions "work with employers, not promote confrontation." This "company union" philosophy is the bane of all free labor organizations.

In Europe and Canada IKEA employees have government health coverage, but Walmart's benefits are so poor that 600,000 American Walmart workers and their families are on Medicaid and the taxpayer-funded Children's Health Insurance Program. In addition, as Philip Mattera, research director of Good Jobs First, states: "Walmart presents itself as an entrepreneurial success story, yet it routinely gets big tax breaks, free land, cash grants and other forms of taxpayer assistance."

As I travel to Sweden this month, I will be reminded of the Swedish and general European success in producing prosperity in the context of good working conditions, excellent schools, and the best social and health care in the world.