

Give us your tired computers

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A new plan to recycle old PCs may forestall regulation

THE computer industry is built on the assumption that PCs and electrical devices are replaced every few years. It is a strategy that leaves tons of electronic junk in its wake. Over 130,000 PCs are replaced every day in America alone, and only a tenth or so are recycled. Ingredients such as cadmium, mercury and lead can do terrible things to people and places. In Europe, such e-waste is the fastest growing type of refuse, accounting for 8% of all municipal rubbish.

Regulators have taken note. In California, legislation to levy a surcharge on computer sales to defray recycling costs took effect this month. (A European Union directive in 2003 requires equipment-makers to recycle, but it has not yet been implemented in national laws.) Manufacturers such as IBM, Dell and HP have been trying to deflect further legislation by introducing their own recycling programmes. But they have had limited success—partly because they tend to charge for recycling unwanted machines. Apple's price for taking back one of its computers in America is \$30.

Now eBay, the world's leading online auction business, has come up with an innovative way to encourage people to sell, donate or recycle their old machines over the internet. A web-based program "reads" the redundant computer's components and gives its specifications (like its memory and processor speed). Owners can then ascertain the value of their old PC, put it up for sale and get a special mailing kit to simplify shipping. The site also makes it easy to donate a PC to charity or get it to a nearby recycler.

The scheme is no altruistic act of corporate social responsibility. It began as an attempt by Patrick Jabal, manager of the site's computer and networking category (which does \$2.5 billion-worth of transactions a year), to drum up more business.

Watching people's buying and selling patterns on eBay's site, Mr Jabal, an entrepreneur with an MBA from Harvard Business School, noticed an unmet demand for cheap, old PCs. Though they were plentiful in the closets of eBay users, listing and selling them was problematic. So, in order to increase their supply on the site, he set out to overcome the difficulties that users had—often no more than an inability to remember the vital statistics of the machine they had been using.

Then he stumbled on the issue of waste and realised that the company could do even more. "It was a way to meet a business objective, help the environment, and help confused consumers," he says. It may also turn out to be a clever market-based way to avoid more regulation.