

Are we wasting the refurb opportunity?

Article by Alan Finlay, Partner in Open Research

At a recent one-day workshop in Okahandja, Namibia, it was suggested that instead of talking about refurbished computers, we should talk about 'support solutions'. The point was to get away from the negative connotations the word 'refurbished' can imply, as well as to suggest that the successful implementation of refurbished computers is a package deal. It requires a strategy that includes dealing with issues such as on-going support and maintenance, as well as the appropriate application of refurbished PCs to suit particular environments. Projects like SchoolNet Namibia and NetDay show that this can be done successfully using a thin client network - ideal, it seems, for the mass-roll out of network solutions in the education sector in Africa.

The success of these kinds of projects is balanced by an equal force of negative experiences with refurbished computers in other contexts, often with stand-alone projects. For example, Alexsan, a resource center in Alexandra just outside Johannesburg, has tried using refurbished PCs and is reluctant to try again.

Problems with refurbished PCs include a lack of standardization (which SchoolNet Namibia calls 'trick or treat' donations), a lack of compatibility with technologies already in use, the lack of skills and technical know-how needed to repair breakdowns, and the related issue of poor support structures. These experiences result in statements like: 'If an organization doesn't have a big budget, don't give them refurbished PCs'.

Properly understanding and managing the opportunities that refurbished computers provide, and the macroeconomic implications of a potential refurbishment industry in Africa, may be a case of shutting the stable door after the horses have bolted. If some statistics can be believed - that over 50% of the computers in use in Africa are computers donated from developing countries and refurbished locally - then we are already in the thick of it. Add to that data that puts the number of PCs in Africa at anything between 1.25-million and 7.5-million, and something of a picture of the take-up of refurbished computers in Africa begins to emerge.

According to Device, an international refurbishment outfit with a branch in Gauteng, South Africa already has what can be called an industry. Device considers itself the biggest refurbishment operation in the country, and last year moved around 17 000 computers through its Midrand depot. It says the refurbishment business has become more professional, competition is growing, and niche players are emerging. Similar patterns, it says, are beginning to show in Namibia, and, surprisingly, Zimbabwe.

Objections or no objections, pressure on developing nations to buy into the idea of using refurbished PCs on a wide scale is likely to increase in the future. With the Basel Convention limiting the export of non-working computer equipment - to which 159 countries, bar the US, are signatories - the potential of exporting second-hand or refurbished computers to developing nations in response to the financial and health hazards of e-waste in the North is likely to gain credence as a business case and donor model. We're familiar with the statistics. In the US alone 130-million computers are expected to be manufactured and sold in 2004. In Canada, around 50% of households have computers, while 2000 figures show that ton-for-ton only around half the PCs, laptops and servers disposed of in 1999 were recycled. A recent UNESCO report states that 600-million PCs will be decommissioned in OECD countries in the next five years, and so on.

While there may be cause for optimism in the potential for a local refurbishment industry in Africa, it's worth bearing in mind that 90% of the 17 000 PCs sold by Device last year were computers sourced from the EU. The low rate of economic development in Africa means that we are likely to be dependent on imported second-hand PCs for some time.

Similarly, foreign organizations and companies have sensed the opportunity in refurbished computers and have already hammered their stakes in the ground. They have a good few years experience behind them to make their operations work, and have developed international networks to support them. They are, in effect, set to become market leaders before local entrepreneurs realize an opportunity exists. Or, as a colleague suggested, before the development opportunity - that includes skills development and transferal and local ownership - can mature.

In this way there is a danger that the economic power imbalances between developed and developing nations will repeat themselves, and it's difficult to see how a local refurbishment industry will offer a true measure of independence from the technological domination of the North.

Because that surely is the opportunity on the table? And surely a more achievable goal than developing an African Silicon Valley from scratch?

Yet maybe there's reason for hope.

There is already creative talk amongst practitioners of using e-waste regulations to our advantage. These include the EU's Waste Electrical and Electronic Equipment (WEEE) directive, as well as other regulations similar to the Electronic Waste Recycling Act in California, which places a surcharge of \$6 to \$10 for every computer monitor and TV purchased. It may be possible to insist - and probably rightly so - that industrialized nations pay developing nations to accept old PCs for local refurbishment. While this is tantamount to selling 'underdevelopment' to the North - with a good eye on our own future e-waste management issues, it's a prospect that could bear fruit.

Initiatives like these might at least help us avoid the pitfalls of the point-and-click sweatshop economies of dependence that have mushroomed in other parts of the developing world.

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