



## **Left on the scrapheap? The WEEE Directive and social sustainability**

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The impact of the WEEE Directive<sup>1</sup> in the UK is likely to be experienced by a wide variety of stakeholders involved in the electronics industry. Amongst other things, the Directive sets targets on the amounts of waste electronic items that must be recycled or re-used, as well as requiring manufacturers to arrange and finance product take-back schemes from consumers. In practice, these requirements are likely to mean changes in the way that manufacturers, retailers, local authorities, consumers and others interact to deal with the collection and treatment of this waste.

At first glance, it seems that the obligations imposed by the Directive are likely to be largely positive. Large quantities of waste electronic products, many of which contain hazardous and environmentally damaging components, will be diverted away from landfill towards newly developed recycling and re-use infrastructures. In addition, the fact that manufacturers will be individually responsible for financing the collection and treatment of waste arising from their own products should act as an incentive for them to design products that are more readily recyclable or re-usable, and hence save money in the long-run.

A further effect is likely to be an increase in the interest shown by manufacturers in the business opportunities provided by recycling, re-manufacture, refurbishment and re-use. In terms of the re-use of electronic and electrical products, the current market is relatively under-developed and consumer take-up of second-hand products remains limited. In many ways this is understandable. Given the focus of most manufacturers on shifting as many units as possible, often assisted by very sophisticated advertising campaigns, and the inherently fast paced nature of change and innovation in the industry, it is hardly surprising that many consumers desire the latest gadgets and appliances.

However, recent years have witnessed the emergence of innovative approaches to developing the market for used electricals. Organisations such as CREATE and RENEW are 'social businesses' that provide paid work and training for the long-term unemployed and other disadvantaged groups through the re-use and recycling of household appliances such as washing machines, fridges and cookers. The refurbished appliances are sold to the local community at affordable prices and potential waste is diverted from landfill. Electrical retailers like Dixons, Thorn and Comet have been instrumental in providing both the used products as well as the necessary retail experience and marketing expertise to make the projects work. In terms of sustainability, these types of company represent a workable example of how a 'win-win-win' sustainability outcome can be achieved by satisfying broad environmental and social objectives while simultaneously achieving a profit.

Even though examples of these sorts of 'social business' are currently few and far between in the electronics industry, given continued support by big players in the sector and positive soundings from government (Michael Meacher recently attended the official opening of CREATE Tottenham), the future could be bright. In some European countries, there has been a conscious effort to ensure that these types of businesses are adequately supported to ensure their continued participation in the emergent refurbishment infrastructure (e.g. El-Kretsen AB in Sweden)<sup>2</sup>. However, there may be dark clouds on the horizon...

In the UK electronics manufacturers, in response to the WEEE Directive, may find it profitable to develop their presence in the refurbishment and remanufacturing of products. It is therefore likely that the sector will witness a shake-up characterised by increasing anxieties about issues such as quality and standards. Murmurings by some of the larger electrical manufacturers at a recent UK-wide conference to discuss the impact of the Directive sound ominous. The issue was raised concerning the need to establish appropriate systems to ensure that refurbished products meet standards in terms of quality and health and safety. It will be interesting to observe how these concerns will affect the social business sector. Will the larger manufacturers adopt a nurturing approach to their development? In addition, how likely is it that the type of initiatives established independently by the large manufacturers will offer opportunities to the long-term unemployed and other disadvantaged groups, or provide affordable refurbished products to the less well off? What will be the implications of the strategies adopted by the big fish on our 'social businesses'? To what extent will the remanufacturing and refurbishment infrastructure that emerges over the coming years embrace the type of sustainable business model established by these infant enterprises?

Watch this space.

<sup>1</sup> *Directive 2002/96/EC of the European Parliament and of the Council of 27 January 2003 on waste electrical and electronic equipment*, Official Journal of the European Union, 13.02.2003.

<sup>2</sup> For more information concerning the Swedish El-Kretsen initiative see: <http://www.el-kretsen.se>