

1. The consumer education component of the RUGMARK operation in developed countries would need to be capable of cultivating a sophisticated understanding of the problem of child labour, and stimulate increased support to address it.
2. The 'share' of the market held by RUGMARK carpets would need to be high enough that the importers' per-carpet contributions could create a fund for rehabilitation or development activities.
3. The abilities and organization of RUGMARK on the ground would need to evolve to encompass, at a minimum, monitoring and evaluation of long-term development activities.

2.20 What is the likelihood of RUGMARK becoming more widely established?

On the producing side, RUGMARK has recently been introduced into Nepal. Expansion into Pakistan is now being considered, and plans are in place to establish an international RUGMARK office outside of Germany.

At the consumer end, Germany is presently the only country where RUGMARK carpets are available. However, incorporation papers have recently been filed in the United States, which represents the second largest market in the world for hand-knotted carpets. The association of carpet importers in the U.S., which initially dismissed RUGMARK in favour of KALEEN, is reported by RUGMARK officials to have softened its resistance lately.

It is difficult to speculate on the chances of RUGMARK being adopted in the smaller markets, where the costs of an adequate consumer education campaign must be weighed against the limited amount of carpet buying that consumers do.

2.21 What are the challenges to RUGMARK expansion into developing and industrial countries?

In developing countries there will be existing regulatory structures both for labour and for export goods which will need to accommodate RUGMARK. This will be both a technical and a political challenge. In India, for instance, there remains government support for other labels more closely linked to state regulatory mechanisms.

In industrialized countries the challenge lies in persuading importers and retailers to participate in the scheme. In Germany, the enthusiasm for labelling among the commercial interests only came after mounting public concern over child labour, and a substantial reduction in carpet purchases by consumers; at this point it was seized on as a means of restoring consumer confidence in the market. However, the same conditions may not yet be said to exist in most other industrial countries.