

2.2 Are these assumptions realised in practice; does it serve development goals?

1. The RUGMARK scheme, having arisen partly out of concern among exporters about a declining German market for Indian hand-knotted carpets, is developing substantial backing among exporters. By May 1996, out of a total of approximately 1,000 carpet exporters, there were 83 RUGMARK licensees, and more than 100 companies waiting to be certified. In Nepal 32 exporters purporting to represent 70% of local production are participating in RUGMARK. Now, 30% of hand-knotted carpets being exported to Germany from India carry the RUGMARK label.
2. On the matter of consumer behaviour, there is as yet little evidence of the influence of labels. Studies of ECO product labelling have demonstrated a gap still exists between stated preference, willingness to buy - even at a higher price - and consumer practice. When asked about the likely response, carpet importers offered the following observations/opinions concerning the likely impacts of labelling:
 - Labelling could confuse the public, and cause consumers to avoid all carpets - even labelled ones - from problem countries. (This presumably could be avoided by a thorough public education campaign.)
 - Labels help consumers choose between two or more similar products (detergents, brands of coffee, etc.); but since hand-knotted carpets are typically very individual pieces, the basis for comparison - and for the label to tip the balance in favour of one carpet - is not really there.
 - Unlike Germany, Canada is not a society in which hand-knotted carpets are extremely common possessions or purchases. Since these are infrequently purchased in the life of an individual or a family, the opportunity for consumer education through labelling is a small one, and consumers may even be tempted to ignore the label question 'just this once'.
3. Within the limitations imposed by the structure of the carpet industry in India (see 1.7 above) RUGMARK appears to be doing as comprehensive a job as possible to ensure that licensees are truly operating without child labour. The fact that inspections have resulted in some licences being revoked, and that a substantial waiting list of would-be licensees exists are both testimony to the seriousness with which the inspection service takes its responsibilities. However, no scheme can ensure that every single carpet is 'clean'.
4. The RUGMARK scheme has a rehabilitation component, designed to attend to the needs of children displaced from the looms. The activities envisioned under this part of the scheme are being funded through a levy on German importers. Because of delays in licensing in Germany, these revenues and activities have been slow to develop. However, the UNICEF India office believes that the affected children have been effectively cared for by the Indian NGO community, and RUGMARK now plans to operate the rehabilitation component directly.