

2.18 What are the weaknesses of RUGMARK?

- The potential for raising awareness and resources is only potential, and it is possible that the underlying causes of child labour will receive no greater attention from either consumers or Western ODA.
- The supply and demand equilibrium, which is part of the attraction of RUGMARK, will also be a delicate one to establish initially: retailers and importers may not be interested in participating without the pressure of public demand for labelled product; but demand which exceeds inventory might also cause the scheme to falter.
- Where local inspection services cannot keep pace with the growth in applications for certification, exporters may lose interest.
- RUGMARK may be most effective as a regulatory tool. But the interest of child welfare demands that some account be given of the children who are displaced from the looms. RUGMARK is answering this criticism by taking more direct responsibility for rehabilitation activities which until recently were the sole responsibility of local NGOs. It remains to be seen whether, in the long run, the revenues generated by RUGMARK are sufficient to fund both the regulatory and rehabilitative aspects of the scheme.
- The off-loom carpet production processes (spinning, dying, clipping, finishing) have, until now, remained unscrutinized for the presence of child labour, although there are plans now to include these.

2.19 What are minimal conditions to make RUGMARK work as a prohibition system? as a development tool?

The minimum conditions for RUGMARK to function as a prohibition system are:

1. Sufficient demand in the carpet consuming markets for labelled carpets, which will encourage exporters to participate in the scheme.
2. Comprehensive accounting by labour contractors to the exporters as to the number and location of looms.
3. An adequately trained and equipped inspection force to ensure that loom owners maintain their commitment to employ adult workers.

For RUGMARK to operate as a development tool, these additional conditions would need to be met: