

2.9 What product labelling systems are in place? How do they compare to RUGMARK?

In Canada, carpets do not yet bear any label concerning child labour - although as many as five or six different labels are being considered by different importers (Attachment 1). RUGMARK is not among them. In India, the most widely touted alternative to RUGMARK is the KALEEN label, which has the endorsement of the Indian government and of the Carpet Exporters' Promotion Council. Like RUGMARK, it is intended to reassure the consumer that child labour was not involved in the production of the carpet. And like RUGMARK it levies a .25% FOB value surcharge on its members to finance operations and regulatory work. However, a significant difference is that the KALEEN system does not require its licensees to submit to unannounced inspections, making it a less effective prohibitive device. Neither does it require western importers to pay into it in the manner of RUGMARK, which may explain the preference expressed for it by some carpet importers in North America.

Recently, the Netherlands minister for Foreign Trade appeared to endorse the KALEEN label, provoking loud reaction in the NGO community. The Dutch government subsequently formed an inter-ministerial group to come up with a national position and policy.

2.10 What are the assumptions associated with commodity labelling?

The assumptions regarding the RUGMARK scheme are discussed above under 2.1. The assumptions of commodity labelling in general are:

1. That labels will make a difference to consumer demand.
2. That the altered pattern of demand will lead to some important change (environmentally sound practices, fair labour conditions, better returns to the producer, etc.).

2.11 What does a labelling programme do? Is labelling comprehensive enough?

Labelling can assist consumers to make choices by providing information on the origins of a product, processes of manufacture, ingredients, hazards of use, etc. Labels have been required for the protection of the consumer/user, but increasingly they are used to allow for informed choice on matters of social or environmental importance. By themselves, however, commodity labels are seldom a comprehensive solution, and they carry the risk of not only unsubstantiated claims but of imposing an overly simple logic on complex problems. The challenge is to combine the demand for consumer choice with wider measures to improve public understanding of complex problems. In the case of child labour, a potential problem is that consumers might interpret a label to mean 'no child labour', whereas it might only guarantee no *illegal* child labour.