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# **REVIEW OF "RUGMARK" AS A STRATEGY TO COMBAT THE EXPLOITATION OF CHILDREN**

A study commissioned by Canada's Department of Foreign Affairs and International Trade

prepared by UNICEF Canada  
June 1996



Dept. of Foreign Affairs  
Min. des Affaires étrangères

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“My first recollection of carpets was as a three year old boy, and of the rocking back and forth of the loom as I would sit with my Father while he worked the loom. My next recollection is weaving carpets at the age of eight...I can't recall what happened in the five year interval...all us children worked the loom.”

George Aramian, carpet retailer, Toronto



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## OBJECTIVE 1

### THE CONTEXT FOR RUGMARK: CHILD LABOUR IN CARPET INDUSTRY

#### **1.1 What countries produce carpets?**

Many countries produce carpets. However the countries known to produce hand-knotted carpets, the source of concern over child labour, include:

Afghanistan	Nepal
China	Pakistan
India	Tunisia
Iran	Turkey
Morocco	Ex-USSR

#### **1.2 Which countries are known to have child labour components in the manufacture of carpets?**

India, Nepal, and Pakistan are most frequently cited as the major users of child labour in carpet production. However, campaigns in Europe and a recent drop in the European market appear to have already forced a change in the carpet industry in Nepal; some labour reform activists believe children are no longer a significant part of the carpet producing labour force there.

Canadian carpet importers consulted suspect that child labour is used to some extent in hand-knotted carpet production in all countries, although the number of children involved in countries other than the three cited above may be small.

India's carpet industry is the most thoroughly documented with respect to the presence of child labour. After Iran, it also has the largest share of the world market (14.5%). Because it is difficult to generalize about the carpet industry, which is structured differently from country to country, the discussion below refers mainly to India, the only country where RUGMARK is fully operational.

#### **1.3 Describe the child labour component of the carpet industry.**

##### **a) What is done?**

Carpet production involves a range of activities, including spinning, weaving, washing, stretching, and finishing. Most concern about child labour centres on the weaving stage. Weavers follow a design pattern provided to the loom owners by contractors (who act as intermediaries between the carpet exporters and the loom owners). Strands of wool are woven-in, knotted, trimmed, and then pounded to achieve the necessary tension. It has been suggested that the 'nimble' fingers of children

make them more adept at this work, and that this explains the prevalence of child labour in the carpet industry. Critics - and indeed, weavers themselves - dispute this. They note that it is actually adult weavers who are entrusted with the most elaborate designs, and that it is the docility of child weavers that makes them attractive to loom owners: they can be relied upon to work longer hours under worse conditions and with less remuneration than most adults would accept.

A 1992 study commissioned by India's National Council of Applied Economic Research estimated that 8% of the total work force in the carpet industry were children. A more localized Indian study by the Netherlands Royal Tropical Institute found 13.5% of weavers were children.

b) In what environment or under what conditions is the work done?

Working conditions for weavers vary a great deal between the producing countries as well as within them. However, in the worst cases, child weavers may work 14 - 16 hour days in dark, cramped spaces, several of them shoulder-to-shoulder on one loom. Performing the intricate work under poorly illuminated conditions leads to early deterioration of eyesight, while the lack of ventilation can cause respiratory problems due to inhalation of carpet fibres.

It should be noted that these conditions are not a necessary aspect of carpet manufacture. Many loom owners employ their own children as weavers without subjecting them to the long hours or to conditions that threaten their health. There are also loom owners or factories which operate without child weavers. Where abuse exists, it points to the powerlessness of children in exploitative situations.

There is also a distinction to be made between the work environment in India and Nepal. Weaving in Nepal is carried out in factory-like compounds with large numbers of looms. Forty manufacturers/exporters account for more than 70% of the production. However, in India much of the weaving is carried out in very small operations containing no more than five to ten looms with an estimated 200,000 looms operating in the carpet belt of Uttar Pradesh.

c) What is it about the way children are involved in the industry which makes or does not make intervention to end exploitation necessary or feasible?

The most extreme forms of exploitation in the industry are linked to the system of "bonded" child labour, which amounts to a form of slavery. In India in particular, families from the most disadvantaged tribal areas, or from the lowest castes offer their children to labour recruiters in return for loans. In practice, these children are seldom able to work off the debt since owners can employ a variety of deductions, including at least a year of 'training', to reduce the accumulated worktime of the child. Because the child is usually far from the protection of the family, he/she may also be subjected to serious emotional and physical abuse. UNICEF India estimates that up to half of child labourers in the carpet industry are bonded.

In both India and Nepal this feudal practice has been technically illegal for many years, but it has taken the recent combination of local NGO activism and mounting international public awareness to prompt consideration of outside intervention in order to secure compliance with local and

international labour statutes. The feasibility of intervention, however, is a contentious issue. Those involved in the commerce of carpets in North America, not surprisingly, claim that conditions on the ground in most Asian countries prevent meaningful regulation. ( This is discussed below in 1.7.) It should also be noted that bonded labour - as egregious a practice as it is - constitutes a small part of child labour in India and that other forms of child labour also merit intervention.

#### **1.4 Why does labelling in the carpet industry make sense?**

The logic of labelling relies on mutually reinforcing steps taken by consumers and producers. If it becomes possible for consumers to purchase goods which contain no child labour component, consumers may demand these goods over others, leading in turn to greater production and availability of child labour-free products. In this way, consumer purchasing power is enlisted as a means of curbing unacceptable labour practices in situations where local authorities are unable (often despite the existence of legal instruments) to effectively combat the exploitation of children in the targetted sector. Ultimately, the aim is for a market-driven elimination of child labour. (See also 1.5 below.)

#### **1.5 What is it about the carpet industry and the ways in which children are engaged in it which make it particularly appropriate/critical for action, and for labelling as a control mechanism to be that action.**

Concern over child labour in the carpet industry is focussed on two related areas:

- The carpet industry is one of a number of industries which have been designated as hazardous by the Indian government (others include road and rail transport, bedi making, the textile industry, manufacture of shellac, matches, cement, soap, explosives, fireworks, mica cutting and splitting, tanning, construction, factories, plantations, and merchant shipping)
- The carpet industry is conspicuous for its reliance on bonded labour.

This combination of children engaged in work which can be injurious to their health on one hand, and the absence of familial protection on the other, is what distinguishes the carpet industry and makes it particularly critical for action. The carpet industry also appears suitable for regulation because it is concentrated geographically in two regions of India - Uttar Pradesh and Kashmir. While more child labour goes on in other sectors, intervention in carpet production would not require a nationwide regulation apparatus.

The argument for labelling as the particular control mechanism has to do with the export-oriented nature of the carpet industry; it is almost exclusively Western consumers who buy hand-knotted carpets. These consumers are becoming accustomed to expressing themselves on a range of social and environmental issues through their purchases, based on assurances of certain standards ('green', 'ethical', etc.). Consumers may thus have the power to force a reform of labour practices within the

industry, provided they can be educated to demand child labour-free carpets and provided that production can actually be subjected to scrutiny.

**1.6 In what ways does it not make sense to focus on carpets?**

A carpet-focused consumer campaign could only achieve a small impact on the overall problem of child labour. Figures from India suggest that the great preponderance of child labour takes place outside the carpet industry - even outside of the export sector as a whole. Furthermore, within this small area of child labour, Canada represents a minor market. From a purely child labour standpoint, it would make more sense to focus on a sector like agriculture, which employs far more children.

Child labour in the export sector is thought to represent only 4% - 7% of all child labour globally. Estimates of the extent of child labour in the Indian carpet industry vary. Indian NGOs engaged in the campaign against the practice typically quote estimates of 300,000 to 400,000 children nationally. The Indian government uses the unrealistic figure of 7,000. The UNICEF office in India estimates that the number lies somewhere between 70,000 and 100,000. The total number of children working in India is also in dispute. A 1986 Ministry of Labour study put the figure at 16.6 million, but estimates based on the number of children not attending school are as high as 80 - 90 million. However, even using the lower figure, children in the carpet industry would represent less than one percent of child labour nationally. The majority of child labourers in India (85%) are thought to be engaged in agriculture.

If the carpet industry constitutes a very small portion of child labour in India, the percentage of its output which is exported to Canada is also small relatively small. Export figures from India lump together a range of floor coverings besides hand-knotted carpets; however, the aggregate figures for 1994/5 put exports to Canada at approximately 3.5% of total exports (compared to 44% to Germany and 34% to the United States).

**1.7 What are the characteristics of hand-knotted carpet production which might make it less than susceptible to this type of control mechanism in terms of accessibility?**

While carpet production in Nepal tends to be concentrated in the capital, and carried out in small factories, the nature of production in India is that of a cottage industry, which would make it a challenge to control. Carpet exporters in India rely on a system of contractors who farm out work to loom owners. The production sites typically consist of single looms or small groups of looms, sometimes in homes, and often in remote villages. Although the Indian government has

outlawed the use of child labour in carpet production, weaving within family-based operations is permitted. It may be difficult to distinguish genuine family-centred production from small commercial looms which operate with bonded child labour. This difficulty, combined with inaccessibility of looms in more remote areas, makes control of hand-knotted carpet production difficult.

### **1.8 How do children begin work in the carpet industry?**

In the Indian context, three means of entry are recognized:

1. Approximately 40% to 50% of children are from the poorer regions of the country whose parents have given them to moneylenders in the bonded labour arrangement described above (1.3c).
2. Another significant group are family members of loom owners, who work for their parents. In some cases, this may be part-time work that does not interfere with their development, or it may be exploitative.
3. A small proportion are children from the locality whose families believe it is good for them to learn a trade. Some of these children grow up in the care of adults who are already engaged in carpet production. They begin with simple chores and eventually take up work at the looms themselves.

In Nepal, some similarities to India exist in that children also migrate to the carpet industry from the poorest regions. However, there is some evidence that the conditions of work are less difficult, and that child workers in Nepal are more likely to leave this work than their Indian counterparts. In any case, the number involved is relatively small (approximately 3,000), compared to the 100,000 - 150,000 estimated to have been working in the industry in Nepal in the early 1990s.

## OBJECTIVE 2

### AN OVERVIEW AND ASSESSMENT OF RUGMARK, ITS ASSUMPTIONS, MANAGEMENT AND OPERATION SYSTEMS, AND CONDITIONS NEEDED TO MAKE IT WORK

#### **2.1 What are the assumptions underlying RUGMARK both as an anti-child labour activity and as a labelling scheme?**

The main assumptions underlying RUGMARK are the following:

1. That enough Indian (and now Nepalese) carpet exporters can be persuaded to participate in the scheme to consistently offer labelled carpets to the Western consumer.
2. That a label, in concert with a public education campaign, will induce consumers to buy a particular carpet.
3. That the labelled carpet is, in fact, made without child labour.
4. That children, once protected from work on the looms are actually better off, and have not simply moved into some equally hazardous form of employment.

## 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.

Primarily a regulatory device, RUGMARK can do little to promote development directly. The larger problems of rural poverty and patterns of exploitation which give rise to child labour can only be addressed through other means. A recent increase in the Indian Government allocations toward combatting child labour suggest that it may also be marshalling greater resources for the issue (see 2.23).

### **2.3 Describe the roles of different levels of RUGMARK management.**

In both India and Nepal, a Board of Directors governs company operations and is responsible for all policy setting, based on the RUGMARK Foundation's constitution. In India, the Board is headed by a Chairperson who, in addition to directing the Board in dealing with all major issues, acts as a liaison with government and international agencies. In Nepal, the position of Chairperson has not been formalized and a Convenor fulfills similar duties to that of the Indian Chairperson.

In India, an Executive Director is responsible for the operations and administration of RUGMARK, including overseeing the inspection and certification process. An Administrator assists the Executive Director. Both employees work from the head office in New Delhi. A regional office in Varanasi, located within the carpet-making region of Uttar Pradesh state, is run by a Regional Coordinator who directs a team of 12 inspectors and assistant inspectors. In Nepal, an Executive Director, yet to be appointed, will assume responsibility for the operations and administration of RUGMARK. Headquarters in Nepal are in the Kathmandu Valley, with sub-offices in other areas planned for the future. RUGMARK Nepal has four inspectors.

### **2.4 Describe RUGMARK Governance.**

RUGMARK in India is governed by a Board of Directors under the chairmanship of Ms. Maneka Gandhi. The six members of the Board include:

- two members from the NGO, South Asian Coalition on Child Servitude (SACCS)
- two members from carpet manufacturers and exporters
- one member from the Indo-German Export Promotion (IGEP) programme (who also acts as a Permanent Advisor)
- one member from UNICEF India

In Nepal, revisions to the governance of RUGMARK are currently being introduced based on recommendations from international agencies. A Chairperson will be elected and the nine-member Board of Directors will include:

- four members from carpet exporters
- four members from recognized NGOs
- one neutral (standing) member (a recognized figure)



An Executive Director will be selected by the Board in consultation with UNICEF and the Asian American Free Labor Institute.

## **2.5 How is RUGMARK monitored?**

In producing countries, the main object of monitoring is the presence/absence of child labour on carpet looms. This is carried out by an inspection force of 12, whose procedures are described under 2.6, below.

In Germany, the structure of the RUGMARK operation is still evolving. The objects of monitoring there are to determine the degree of market penetration by labelled carpets, to assure the validity of actual labels affixed to individual carpets. Both these things are accomplished with the assistance of the importers' association. Each label carries a numerical code issued at the point of origin, specifying the exporter, manufacturer and the loom owner. These numbers are forwarded to RUGMARK in Germany, where they are entered on a computer database. In theory this means that false labels could be identified as such because of their serial number. However, it would not ensure against the possibility of genuine numbers being copied on several false labels.

## **2.6 How is child free labour guaranteed in the different activities of carpet making under the RUGMARK scheme?**

RUGMARK can offer no absolute guarantee of child-free labour. It relies on a system of random, unannounced inspections to deter its licensees from breaking their undertaking to prohibit the use of children on looms under contract. The number of inspectors has grown from four, one year ago, to 12 at present but could be increased. Fairly elaborate precautions are taken to ensure inspection staff do not fall under the influence of licensees (inspectors are paired differently for each assignment, and receive their instructions only moments before they set out on an inspection visit). Of the 12,604 registered looms, 6,770 have now been inspected and 660 children were discovered working at 381 looms.

The legality of family-based carpet work presents a challenge to the system, since the presence of children at home looms is not an offence. In 1986 the Indian parliament approved a new Child Labour Prohibition and Regulation Act. The Act prohibits children from being employed in certain hazardous occupations and processes, but the Act does not apply to so-called family-run workshops. Children are prohibited from working in large factories, but otherwise they are free to work elsewhere without limit of age. When children are found on home looms, inspectors check that the children are attending school, and then confirm this with a visit to the child's teacher.

It has also been suggested that exporters could abuse the system by registering only some of the looms under contract and maintaining child workers on others. However, the standard output of a single loom is fairly well established, and using export statistics RUGMARK staff in India determine that the number of registered looms is what one would expect given the volume of exports.

These measures do not guarantee that the carpet is free of child labour. They only prevent illegal child labour in the weaving process. However, plans are now underway to examine spinning, dying and clipping as well.

## **2.7 What are the criteria for selecting inspectors?**

Initial recruitment of inspectors was done without formal criteria. The following criteria have been proposed for the next intake of inspection staff. They should:

- be graduates (15 years of schooling);
- be 35 years old or less;
- be physically fit in order to travel on foot for days in remote areas;
- have a reasonable working knowledge of written and spoken English;
- be capable of passing a written test on the subjects of child labour, the carpet industry, or current affairs, before being examined by a selection board.

## **2.8 How is applicant screening undertaken?**

The RUGMARK licensee (the carpet exporter), has an arms length relationship to carpet production. Exporters hire contractors to provide carpet designs to desired specifications. The contractor hires loom owners to provide the carpets. The exporter receives a licence to use the RUGMARK trademark on the basis of providing a guarantee that the looms used to produce the carpets do not use child labour.

Every potential licensee fills out an application form in which the following is provided:

- complete list of all looms and sources from which carpets are obtained;
- evidence that all loom units have been duly registered with the Carpet Export Promotion Council;
- affidavits from all loom owners that they do not employ child labour and are paying to weavers at least the official minimum wages;
- an undertaking from applicant that he is paying to his loom owners at least the official minimum wages.

This is followed by an inspection by the professional inspectors of the RUGMARK Foundation and often by random checks by associated NGOs. When all documents and inspections have satisfied the criteria, then RUGMARK Foundation enters into a licence agreement with the applicant, granting him the right to use the certification Trade Mark. A licence fee of Rupees 5,000 is paid for the right to use the RUGMARK label.

## **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.

**2.12 If carpet labelling is a good strategy, why RUGMARK as the particular scheme?**

The distinguishing element of RUGMARK is its insistence that licensees submit to random inspections. This is critical if the challenge of regulating labour in a dispersed cottage industry environment is to be met.

**2.13 As a labelling scheme does it work? Does it do more harm than good?**

Assessments so far have praised the cooperation which RUGMARK is getting from Indian exporters, and the effective work of the inspection teams which monitor compliance. In these respects, the scheme appears to be working well, although the size of the inspection force needs to be expanded. However, concern has been expressed about the slow start of the rehabilitative component of the system. UNICEF India, (which is represented on the Board of RUGMARK) does not believe that children displaced from carpet work have come to any harm, since they have been cared for by local NGOs. However, hard evidence of the impact of RUGMARK on the released children's life prospects is not yet available.

At the importers' end, there is fear that the scheme could have perverse consequences by confusing consumers, and causing them to avoid buying carpets generally, or to shun carpets from a particular country, whether labelled or not. It is worth noting that while it is frequently pointed out that RUGMARK developed out of the initiative of carpet importers and exporters, this initiative was taken *after* a major anti-child labour campaign in Germany, and a subsequent 20% contraction in the German market for Indian carpets.

The ability of RUGMARK (and schemes like it) to avoid unintended harm depends on a sustained and simultaneous commitment to several projects:

1. The consumer education campaign must be thorough enough to prevent misunderstanding among consumers.
2. A sufficient number of licensed suppliers must be available for importers and retailers to obtain labelled products.
3. The inspection system on the ground must be provided with sufficient resources to ensure that all exporters receive equal scrutiny.
4. Rehabilitative activities must not lag behind the inspections, leaving displaced children at risk.
5. The ultimate welfare of children must be constantly monitored as the main indicator of the success of the scheme.

**2.14 How does RUGMARK combat exploitative child labour in the carpet industry?**

This is discussed under section 2.6 above: 'How is child free labour guaranteed?'

**2.15 How is labelling perceived by developing countries?**

Developing countries no more contain a unified view on labelling than do developed countries like Canada. Furthermore, perceptions vary between different interests in society. In the case of RUGMARK, accusations of protectionism and cultural imperialism have been made by some in India. However, advocacy around the issue of child labour in carpet production began with elements of Indian civil society, and was later brought to the attention of NGOs in Germany. RUGMARK has been able to quickly rebut suggestions of protectionism because it has the voluntary compliance of Indian producers, and cannot be categorized as a trade barrier.

**2.16 Is labelling a reasonable intervention when child labour is the issue?**

The solution to the problem of child labour, especially the most exploitative forms, goes well beyond labelling of products in the export trade. Both the number of children involved and the variety of industries using child labour are such that export-oriented labelling can only affect a very limited number of exploited children (see 1.6 above). However, labelling may not be unreasonable if it is introduced in concert with other initiatives designed to directly address the problem of child labour - improved law enforcement, compulsory primary education, provision of rural credit, and poverty alleviation are some of the key areas.

**2.17 What are the strengths of RUGMARK?**

- As a voluntary system linking exporters and importers, it has credibility, and cannot be met with charges of protectionism from countries which employ child labour.
- Its system of contributions from both exporters and importers has the potential eventually to sustain the regulatory system on both ends without external support.
- It appears to have the support of a range of parties concerned about child labour, including both Western labour rights activists and Asian NGOs.
- It is already established in the world's largest hand-knotted carpet market - Germany.
- It has the potential to generate interest in, and consequently resources towards, the broader causes of child labour in developing countries.

### **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:

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.

**2.22 How can RUGMARK system be improved? What is required? What would it cost?**

The most obvious improvement of the RUGMARK system would be to bolster the inspection capacity of the scheme. It has already been noted that this is a critical point in the system, since it is the key to claims of child-labour free status, as well as to the certification process which exporters must undergo. Doubling the present inspection force in India from 12 to 24 members would allow applicants to be certified more quickly, and would improve scrutiny of the loom sites. Recurrent costs for this improved capacity might amount to \$45,000 (U.S.) per annum. Costs for the first year would be roughly \$80,000 (U.S.) to cover the additional capital cost of transportation for inspectors.

**2.23 Can RUGMARK mobilize additional resources for children?**

Although it is difficult to establish causal relationships, the introduction of RUGMARK and the heightened profile it has given the issue of child labour does appear to have prompted the Indian government to allocate more resources to children. In 1996, the Prime Minister of India announced a large child labour programme to be initiated in 133 districts within the carpet producing belt of Uttar Pradesh and Bihar, with \$280 million (U.S.) to be spent on enforcement of labour statutes, non-formal education, and advocacy of primary schooling.

**OBJECTIVE 3**

**DESCRIBE AND ASSESS THE ACTION AND POLICY IMPLICATIONS OF OPERATING RUGMARK IN CANADA. HOW WOULD IT WORK?**

**3.1 How could RUGMARK be implemented in Canada?**

As with RUGMARK Germany, RUGMARK Canada could function with a staff of two persons. Staff would be responsible for promoting the purchase of child labour free hand-knotted carpets bearing the RUGMARK label among importers, wholesalers, retailers and consumers. This could be accomplished through trade seminars, newsletters and home decor magazines, the distribution of pamphlets and through promotional bites in different media. RUGMARK staff would be expected to liaise with RUGMARK offices in developing and industrialized countries and monitor the importation of carpets bearing the RUGMARK label.

**3.2 What are preconditions for making RUGMARK operational in Canada?**

The preconditions leading to the development of RUGMARK in Germany, including a major anti-child labour campaign and subsequent decline in Indian hand-knotted carpet sales, have not existed in Canada. Without either of them, it's difficult to predict the initial impact of RUGMARK in Canada.



To make RUGMARK operational the political and financial commitment of the Canadian Government would be required. And if RUGMARK in Canada is to be consistent with the German RUGMARK operation, carpet importers will be expected to donate 1% of the FOB value of the carpets to UNICEF for rehabilitative programme interventions for child labourers now displaced from hand-knotted carpet production. Interviews with carpet importers and retailers in Canada suggests that the interest in contributing money to the social cause of RUGMARK is mixed.

At 1995 import values, the 1% FOB of hand-knotted carpets in Canada, from India, would generate C\$77,250 annually for child labour rehabilitation activities related to the RUGMARK initiative.

Mr. Pharis Harvey of the International Labour Rights Fund, and RUGMARK advocate in the United States, suggested that RUGMARK would operate from the ILRF office with the assistance of a small business loan. As an alternative to donating the entire amount of the 1% FOB to UNICEF, he suggested a donation of the net of this amount after office operating expenses.

To lend legitimacy to the advocacy work undertaken by RUGMARK in Canada, RUGMARK labelled carpets would need to be either available in the marketplace or be accessible to importers.

### **3.3 What are the policy implications for Canada in the adoption of RUGMARK?**

As a voluntary programme available to carpet exporters in India and Nepal, there is no risk of Canada being accused of unfair trade practices. RUGMARK does not represent a trade barrier. Unlabelled carpets will still be permitted entry to Canada, however, some provision for the sale of existing stocks of carpets not labelled may need to be considered.

### **3.4 What would be the cost of establishing RUGMARK in Canada?**

The German Government provided the DM equivalent of C\$339,000 to cover operating costs of RUGMARK during its first year in Germany. For the following two years (1996-1997), the Government agreed to provide C\$1,695,000 (C\$847,500 per annum) to cover the German expenses. An additional contribution of C\$192,100 was provided during the programme's first year by four German NGOs under the NGO coalition banner, "Campaign Against Child Labour". These same NGOs report providing an additional combined contribution of C\$339,000 to the RUGMARK initiative through their own programmes.

Because German imports of hand-knotted carpets represent 40% of the world market (in 1995 this represented C\$1.4 billion in imports compared to \$39 million in Canadian hand-knotted carpet imports), and Canadian imports represent slightly more than 1% of the world market, one would expect a more modest operation in Canada. Although, to mount a campaign of any consequence, one would not expect to budget less than \$300,000 per year.

Proposed RUGMARK Budget

Marketing and advocacy	\$150,000
office lease	\$15,000
salaries (2 people)	\$80,000
administration	\$35,000
travel	\$20,000
Total	\$300,000

**3.5 What are the options for the delivery mechanism? Who would be involved in Canada? How would it be implemented?**

RUGMARK could be established in an independent office enabling it to acquire an identity of its own, shaping its future independent of the influence of other organizations. As an organization with a semi-autonomous relationship to an existing organization, or as one merged with the management and operation of a similar organization with which to share a mandate or target audience would enable RUGMARK to build upon existing strengths. The benefits of being affiliated with Fair Trademark, for example, would help RUGMARK to build upon the strengths of the marketing and educational/outreach expertise of an organization in the business of labelling for the purpose of promoting social change.

Marketing and educational activities would require the greatest investment, being key to the modification of attitudes and practices. Fair Trademark forecasts an annual budget of \$400,000 to manage a similar campaign for Fair Trademark products from a three-person office.

**3.6 How might Canada piggy-back on European programmes? What would be the costs and benefits of working closely with Europeans or through a separate mechanism?**

Germany is the only European country to date supporting RUGMARK. All European countries appear to agree that child labour needs to be addressed and that it should be eliminated, although not all countries agree that RUGMARK provides the comparative advantage.

Sweden does not support RUGMARK, having taken its advice from Swedish Save the Children and the IKEA company, both of whom are critical of the scheme. Denmark has identified the promotion of the Convention on the Rights of the Child as its priority, and has not taken a position on RUGMARK. The Netherlands, on the other hand, is in the process of developing a position on RUGMARK. The United States expects to support RUGMARK by establishing an office in Washington in the office of the International Labour Rights Fund.

Obvious advantages to working closely with RUGMARK Germany include the opportunity to learn from the experience of others, to share data and research and costs; and to strengthen the voice of support for the RUGMARK initiative and for the elimination of child labour.

RUGMARK is dependent upon a system of networks, and at the same time one of its strengths is its ability to create networks - it would serve little purpose to create a separate mechanism for RUGMARK in Canada. There would be simply too much to gain from membership in a network.

### 3.7 What is the Canadian market for hand-knotted carpets and how is it served?

There are five large importers of hand-knotted carpets in Canada and between 50 and 100 smaller businesses who function at different levels in the market. Among the smaller businesses there exists the wholesaler who also retails, and the retailer who imports small quantities for retail purposes only. Some importers claim that there are other more casual means of carpets entering Canada which they believe disrupts the "real" market by under-cutting prices being asked by bona-fide importers. These are carpets which usually enter through family connections.

Upon consulting the Statistics Canada, country of origin statistics for hand-knotted carpets (see 3.11), one is given the distinct impression that Canadians buy the more expensive Iranian carpets. Importers and retailers alike did not support this finding suggesting that Canada is a trans-shipment point for Iranian carpets to the United States in the absence of a trade agreement between the governments of the U.S. and Iran.

Carpet importers and retailers believe that the Canadian consumer, unlike the European consumer, is influenced more by price than by quality. While the appreciation for quality exists, the decision to buy is influenced more by price.

Importers and retailers interviewed agree that the carpet industry has been in a slump for the past eight years or so, adding that this is a reflection of a global decline in the home furnishings market and is directly attributed to the recession. They did not attribute declining sales to consumer awareness of the problem of child labour in the manufacture of hand-knotted carpets.

In a discussion of carpet sales trends, the coarse-textured Indian carpets enjoyed a peak period of sales eight to ten years ago. This period of popularity was replaced by the finer finished carpets from China five years ago. Today, the demand for carpets from India and China is about equal. The perception of retailers is that few consumers are aware of the child labour problem in the manufacture of hand-knotted carpets, citing a figure of one in twenty consumers asking about the child labour factor. Those who do ask do not seem to be pre-occupied with the presence of a label indicating the carpet is child labour-free.

Canadian consumers do not own lots of hand-knotted carpets, choosing to buy one carpet in a lifetime or to buy one every decade or so. Many Canadians do not own a hand-knotted carpet. No-one in the industry could identify what percentage of Canadian consumers buy hand-knotted

carpets, but they did agree that demand is greater for wall-to-wall, machine-made carpets among Canadians, than it is for the hand-knotted carpet.

In 1995, of the 1% which Canada constituted in the global market for hand-knotted carpets, carpets from Iran represented 40% of the market, carpets from China represented 25% of the market, and carpets from India represented 20% of hand-knotted carpet market.

### **3.8 What does RUGMARK mean to importers in Canada of carpets from India, Nepal and from other regions of the world?**

Carpet importers support labelling of carpets in general, but would prefer to have one label, not several competing labels declaring child labour-free merchandise, claiming this will only undermine consumer confidence in the system of labelling. One importer suggested that without leadership in the industry, the industry could find itself marketing labels, not carpets. Labelling, the industry acknowledges is inevitable, principally because of the U.S. government's foreign policy position on child labour. One importer confided that his suppliers in India will identify his carpets as he wants; if he were to ask for RUGMARK labels, he would be able to get them and not necessarily only those labels which are registered.

At the moment, many Canadian carpet retailers dispute the child labour problem. They do not deny that it exists, but understand it to exist out of necessity in economic terms. This introduces a challenge to a RUGMARK campaign, but does not pose a threat. Educating the consumer will likely result in increased demands for guarantees of child labour-free carpets to which the retailer will be required to provide the assurance.

### **3.9 How would the private sector monitor its source of carpets?**

Importers interviewed have said that they would rely on the exporter from whom they buy their carpets to guarantee child labour free carpets. They believe they have no other way. With the RUGMARK registration process, the RUGMARK office in Canada would be able to verify all RUGMARK labelled carpets from a master list. However, counterfeit labels bearing numerical codes previously registered with RUGMARK would present some challenge to this verification process. Upon receipt of the master list of RUGMARK labelled carpets exported to Canada, staff of RUGMARK Canada would contact the importer to confirm the shipment, and in some cases conduct inspections.

### **3.10 How could small traders in Canada be organized?**

Small traders could be organized with the assistance of the five large importers of hand-knotted carpets in the country from whom many of them already buy their carpets. The small importer/retailer, without any linkage to one of the five principal importers, subject to public pressure over time would be expected to seek out RUGMARK for guidance and support. Small

importer/retailers may require additional, special assistance in the country of export as many of them do not import directly from a carpet exporter but rather from another type of exporter. To date, carpet exporters are the only persons issued RUGMARK licenses. One assumes this transfer of license would be possible.

### 3.11 Where do carpets entering Canada come from?

The following table from Statistics Canada for 1995 details the volume of carpets and respective value in Canadian dollars of hand-knotted carpets entering Canada by country of origin. Hand-knotted carpets from Nepal and Pakistan represent a very small volume of Canada's imports. They are reflected in the "other" category along with carpets from other countries of origin.

#### a) Carpets of wool or fine animal hair (knotted)

<u>Country</u>	<u>December 1995</u>		<u>Cumulative Totals</u>	
	<u>Quantity MTK</u>	<u>Value \$000</u>	<u>Quantity MTK</u>	<u>Value \$000</u>
Iran	25,740	2,268	409,213	14,459
India	11,625	510	245,721	6,369
Pakistan	5,785	265	62,112	3,511
China, PR	21,967	245	275,308	6,676
Other countries	1,476	123	30,728	1,523
TOTAL	66,805	3,386	1,025,137	32,568

#### b) Carpets of other textile materials (knotted)

<u>Country</u>	<u>December 1995</u>		<u>Cumulative Totals</u>	
	<u>Quantity MTK</u>	<u>Value \$000</u>	<u>Quantity MTK</u>	<u>Value \$000</u>
Iran	0	0	25,120	919
India	12,676	67	175,297	1,356
China, PR	0	0	137,713	2,953
Other countries	1,966	29	33,324	866
TOTAL	14,642	96	369,457	6,274

OBJECTIVE 4

RECOMMEND WHETHER CANADA SHOULD ADOPT THE RUGMARK LABELLING SCHEME AND, IF YES, THE STEPS REQUIRED TO MAKE IT OPERATIONAL.

**4.1 Should RUGMARK become operational in Canada?**

This study has provided the opportunity to discuss the strengths of RUGMARK as a regulatory tool. As a means to combat the exploitation of children, RUGMARK is limited and does not offer any comparative advantage for inclusion in Canada's ODA under the rubric of child protection. The following reasons, cited elsewhere in this report, support this view.

1. Bonded labour - as egregious a practice as it is - constitutes a small part of child labour in India. A 1986 Ministry of Labour study put the figure of child labourers in India at 16.6 million, but estimates based on the number of children not attending school are as high as 80 - 90 million. The UNICEF office in India estimates that the number of children working in the carpet industry lies somewhere between 70,000 and 100,000, less than 1% of all child labourers in the country.
2. A carpet-focused consumer campaign could only achieve a small impact on the overall problem of child labour. Figures from India suggest that the great preponderance of child labour takes place outside the carpet industry - even outside of the export sector as a whole. Furthermore, within this small area of child labour, Canada represents a minor market. From a purely child labour standpoint, it would make more sense to focus on a sector like agriculture, which employs far more children.
3. It may be difficult to distinguish genuine family-centred production from small commercial looms which operate with bonded child labour. This difficulty, combined with inaccessibility of looms in more remote areas, makes control of hand-knotted carpet production difficult.
4. Primarily a regulatory device, RUGMARK can do little to promote development directly. The larger problems of rural poverty and patterns of exploitation which give rise to child labour can only be addressed through other means.
5. RUGMARK can offer no absolute guarantee of child-free labour. It relies on a system of random, unannounced inspections to deter its licensees from breaking their undertaking to prohibit the use of children on looms under contract. These measures do not guarantee that the carpet is free of child labour. They only prevent *illegal* child labour in the weaving process.
6. 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. On the basis of current Canadian imports of hand-knotted carpets from India, this would represent \$77,250 per annum. On the basis of German carpet volume, it would represent \$3.0 million per annum.

7. Hard evidence of the impact of RUGMARK on the released children's life prospects is not yet available. Children now displaced from carpet manufacturing as a result of RUGMARK, unlike carpets, are not registered and whether they are better-off as a result of no longer working in the carpet industry is not known. The pre-occupation with carpets has not yet been transferred to children.
8. 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.
9. By themselves, 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.
10. 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'.
11. The solution to the problem of child labour, especially the most exploitative forms, goes well beyond labelling of products in the export trade. Both the number of children involved and the variety of industries using child labour are such that export-oriented labelling can only affect a very limited number of exploited children.

#### **4.2 Should Canada include the investment in RUGMARK / product labelling in the government's strategy to eliminate child labour?**

RUGMARK is still largely experimental; based on assumptions about the influence of regulatory measures in an industry which has been able to avoid regulation for many years. Canada should consider observing RUGMARK, and when the programme begins to show as much interest in registering children as it does carpets to monitor the whereabouts of children, then perhaps consider supporting RUGMARK on the basis of what it can do for children.

At present, it's not known how a consumer based movement can be sustained, nor whether it can and contribute to social change. RUGMARK can heighten public awareness of child labour and possibly the removal of children from the carpet sector; but the question remains, is this enough? Canada must weigh the investment in the experiment versus increasing its focus on a mix of preventative and rehabilitative interventions with far reaching effects.

### 4.3 Where is the comparative advantage?

For Canada, the comparative advantage lies in providing additional resources to programmes to prevent child labour from occurring as a consequence of other social, cultural, economic and environmental conditions. Advocacy, to mobilize support for implementation of the articles embodied in the Convention on the Rights of the Child, and to mobilize support for a change in policy which would make primary school education a compulsory requirement for all children would constitute two relatively low cost interventions capable of stimulating change socially, culturally and economically. Canada's investment in primary school education, estimated to be less than 10% at present should be increased to 25% of development programmes investing in children. Programme interventions which target the most impoverished, the hardest to reach, and the most vulnerable because of culture, gender and/or geography are perhaps the most challenging and at the same time most capable of yielding the most significant results. By increasing the options and opportunities for this target group, the risk of exploitation diminishes.

### 4.4 What are the ODA options to address the problem of child labour?

In addition to increasing resources for traditional development interventions to respond to the more systemic causes of the child labour problem, the Canadian government should provide incentives to the Canadian private sector working abroad in developing countries to become more involved in the social development of the countries in which they operate. Businesses could be encouraged to develop codes of conduct and a set of best practices for children. Private sector - NGO collaboration provides interesting opportunities to extend the value of Canada's investment abroad.

Some examples being explored by UNICEF Canada with the private sector include the provision of creche and child care facilities in manufacturing operations - especially important where traditional kinship ties do not exist and the presence of child care facilities supports the economic participation of an increasing number of women who head their families; the donation of a percentage of revenues from the overseas operation to support primary school education in the country; the provision of additional vocational skills training and employment of young people who previously benefited from Canadian development assistance; the promotion of basic child survival and development information in places of employment while encouraging employers to support such practices as exclusive breastfeeding and attendance at immunization clinics.

UNICEF Canada is also planning a small promotional campaign to create awareness among the private sector working abroad about the Convention on the Rights of the Child. Business representatives will also be provided with a synopsis of the situation of women and children in the countries where they work. We are encouraging businesses to work co-operatively with UNICEF Canada or directly with UNICEF overseas for additional guidance to local needs and circumstances.

Attachment 2 provides further information of UNICEF collaboration with Pan Pacific Hotels in Thailand. Participating beneficiaries in this programme are graduates of the Daughter's Education Programme, a prostitute prevention programme in Northern Thailand, supported by UNICEF Canada and CIDA NGO Division.





ATTACHMENT 1



**INDIAN HAND KNOTTED WOLLEN CARPETS**

*This is to Certify that no child labour has been used in any process of making this carpet.*

Carpets No. \_\_\_\_\_

No. 9596/ 163111 1702

THE HALLMARK OF COMMITMENT

**KALEEM**

CARPET EXPORT PROMOTION COUNCIL INDIA

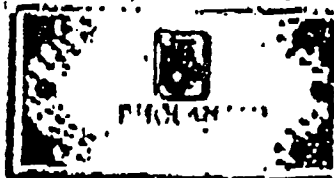
NON TRANSFERABLE

Alexanian carpet



NO CHILD LABOUR HAS BEEN USED

Exclusively Created by:



HANDMADE IN INDIA  
भारत में हस्तनिर्मित

Quality \_\_\_\_\_

Pattern \_\_\_\_\_

Colour \_\_\_\_\_

Size \_\_\_\_\_

Wg No. \_\_\_\_\_

GARANTIERT KEINE KINDERARBEIT PROTECT CHILDREN



# The Pan Pacific Hotel Bangkok Joins Hands With Unicef



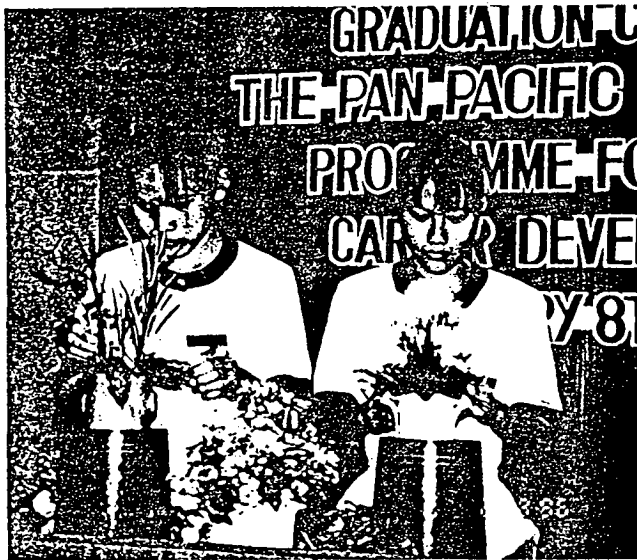
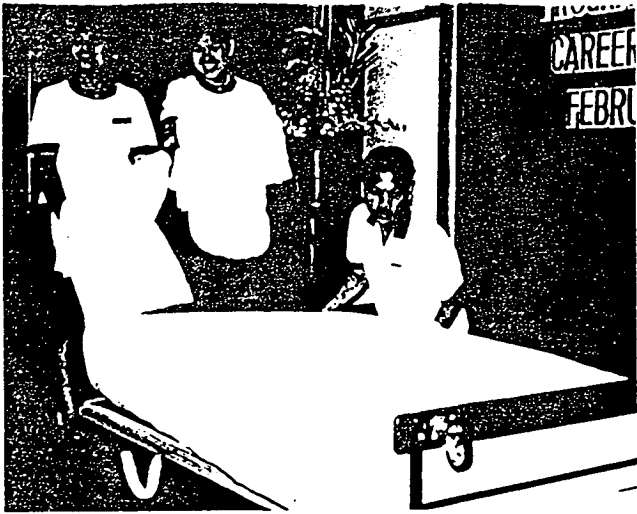
The Pan Pacific Hotel management along with UNICEF representatives pose with the first graduating class of the Programme For Youth Development.

The Pan Pacific Hotel Bangkok (PPHB) has reaffirmed its commitment to serve the local community by entering into a joint "Programme For Youth Career Development" with the United Nations Children's Fund to promote career development of rural youth who have less opportunity for and access to education and vocational training.

The Youth Career Development Programme aims to improve the quality of life of young people by providing vocational skills to ensure their long-term social and economic security. An innovative training programme, prepared by the Training Manager of PPHB, is complemented with supplementary workshops on child-related issues, community education, child rights, participation and protection issues organised by UNICEF in collaboration with GO/NGO partners. Ten young men and women, aged 18-19, are invited to participate in the hotel's in-house training programme. The selected par-

ticipants who came from different areas of Thailand will undergo a 20-week training course in all departments of the hotel's operations, from Food and Beverage Department to Housekeeping, Laundry and Kitchen, including general knowledge about hotel hospitality. Classes are taught by highly-experienced department heads and supervisors and include theory and practical training.

The Class of '95 started their first day of training on 9 September, 1995. They came from the "Daughters Education Programme" in Chiang Rai, "Saema Pattana Cheewit" of the Ministry of Education in Lampang, and the Foundation for Children's Development in Surin and Mahasarakham. After the training, they will be considered for employment with the hotel if they so wish. They may also choose to apply their new skills and knowledge in their respective communities with recommendations from the hotel. PPHB provides subsistence and



*Participants in the 20-week training course demonstrate some of the skills which they developed while under the guidance of highly-experienced department heads and supervisors.*

meals while UNICEF provides support to cover their accommodations during the 20 weeks and travel expenses from their provinces.

PPHB and UNICEF will meet regularly with participation NGOs and the Ministry of Education's Saema Pattana Cheewit Project for continuous evaluation of this training programme. They will also consult with participation youth on a regular basis during the course of the training.

PPHB is striving to become a better community member and help children in difficult circumstances to develop skills that will give them a new start in life. At other Pan Pacific properties, community outreach programmes have also been introduced to assist young people in gaining a new start.

"Pan Pacific Hotel and Resorts has as one of its most cherished values to help and support the local community" said Andrew McBurnie, General Manager.



"We started this innovative youth development programme to help Thai youth acquire valuable career skills. Our training programme has been highly acclaimed, receiving special commendation earlier this year from our Pan Pacific Head Office."

Mr McBurnie said he would like to see other members of the local business community follow this educational programme.

"Programmes like this help young people break out of the unfortunate cycle of hopelessness and despair. Any business interested in doing this is welcome to come talk to us and we will be happy to help in any way we can. Since the business community already has in-house training programmes, it is easy to enter into such projects. It's time for everybody to take a look around them and see how they can create positive change in the community."

Added Dr Kittiya Phornsadja, UNICEF Project Officer for Children in Especially Difficult Circumstances, "It is gratifying to see many in the business sector willing to take part in working toward the better life of children, particularly those who have less opportunity. UNICEF is fortunate to have been able to find allies for children in the private sector whom we can work with to ensure that the rights of these children are promoted. Land and Houses, Plc, for example, has an exemplary project for the children of construction workers and would like to contribute much more. Not only will young people in Thailand benefit as we share this innovative and valuable experience, both within Thailand and with other countries through our UNICEF offices worldwide, we believe that by working in partnership with the business community, we can effect real change and provide new hope and opportunity for many young people."

Attachment 3  
LIST OF PERSONS CONTACTED

NETHERLANDS

Mr. Bert van Ruitenbeek  
Manager, Education & Events  
UNICEF Netherlands Committee  
The Hague

Mr. Wim Slootweg  
Executive Director  
UNICEF Netherlands Committee  
The Hague

Mr. Gerard Oonk  
India Committee of the Netherlands  
Utrecht

Mr. Astrid Kaag  
International Department Information Officer  
Netherlands Trade Union Confederation FNV  
Amsterdam

Mr. Annie van Wezel  
International Department  
Netherlands Trade Union Confederation FNV  
Amsterdam

GERMANY

Mr. Johannes Brandstätter  
Human Rights Desk  
Diakonisches Werk Der EKD (Ecumenical Service)  
Stuttgart

Mr. Peter W. Engmann  
Fachverband des Deutschen Teppich-und  
Gardinen handels e.V.  
(Director General, Association of Carpet Retailers)  
Cologne

Dr. Dietrich Garlichs  
Executive Director  
German Committee for UNICEF  
Cologne

RUGMARK STUDY

Dr. Christian Salazar-Volkman  
Director, Division of Information  
German Committee for UNICEF  
Cologne

Ms. Beatrix S. Hell  
Information Office  
German Committee for UNICEF  
Cologne

Mr. Ingo Herbst  
RUGMARK Deutschlandbüro  
(German Office of Rugmark)  
Göttingen

Mr. Ross Miller  
Economic Policy Officer, Canadian Embassy  
Bonn

Ms. Beate Scherrer  
Head, Development Policy in the North  
Terre des Hommes  
Osnabrück

Mr. Peter Bolster  
Deputy Director  
(Protrade - Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH  
Eschborn

NEPAL

Mr. Daniel O'Dell  
Representative, UNICEF Nepal  
Kathmandu

Mr. Lars Wadstein  
Sr. Programme Officer, UNICEF Nepal  
Kathmandu

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