

GoodWeave Foundation USA

White Paper: Learning from the GoodWeave Model to End Child Labor



GoodWeave is a nonprofit organization working to end exploitative child labor in the carpet industry and offer educational opportunities to children in Nepal and India. The GoodWeave label is your best assurance that no illegal child labor was used in the manufacture of a carpet or rug.



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April 2009

Dear GoodWeave USA Supporters, Partners and Allies:

In early 2008 GoodWeave commenced a Learning Process to assess our program to end child labor in the rug-making industry. At first it seemed like a luxury to invest so much time and resource in evaluation while we were already working at a maniacal pace in the sixth year of the “Most Beautiful Rug,” awareness campaign. But the big lesson from the Learning Process is that it *is* worth the effort to actively evaluate program, to “learn as you go” while time remains to shift strategy if necessary. Still in the early stages, this process has already prompted changes that will achieve faster market transformation and stronger evidence of the link between market change and child labor reduction.



The process included Advisory Group meetings, the preparation of which brought together a small team, causing us to think really, really hard about what we’ve learned from our work thus far and what we need help learning and implementing from here. And with our experts GoodWeave attained a much higher level of conversation. With this distinguished group, GoodWeave has confirmed its theory of change, identified new and existing strategies that are most effective, called into question efficacy of other strategies, and drafted an agenda of research and learning for ongoing investigation.

Throughout the Learning Process, the importance of GoodWeave as a model was discussed. We aren’t going to change the world with rugs, but we need a model for the anti-slavery movement – to show that a tipping point to end child labor can be achieved by employing smart business strategies. This is why our advisors from diverse backgrounds joined us: because they want this model to happen. We have joined together to say that slavery, poverty and cruelty are not acceptable and the GoodWeave model is one way to ensure we change these conditions.

This draft report is a living document, intended to put our work in front of you who may be interested and able to either help or benefit. We invite your comments, resources, and partnership on the learning journey. Our findings are being shared with GoodWeave’s four international affiliates, as well as other industry sectors, as together we advance the nascent certification movement to achieve social justice.

I thank Humanity United for their commitment to ending modern-day slavery and mass atrocities around the world, and for their financial support for this process. I am also grateful to the many individuals who provided input along the way, including the Advisory Group members listed at the end of this document.

Thank you, too, for your contribution,

A handwritten signature in black ink that reads "Nina Smith".

Nina Smith
Executive Director, GoodWeave USA
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INTRODUCTION

What is GoodWeave

At the time of GoodWeave's launch, an estimated one million South Asian children were trapped in illegal and exploitative carpet-making work. Children aged 4 to 14 are kidnapped or sold into debt bondage or forced labor where they suffer myriad physical and emotional abuses. This epidemic is part of why developing countries remain poor: by driving down adult wages and depriving children of education, poverty is perpetually "inherited."

Established in 1994 as one of the first independent labor monitoring programs, GoodWeave certifies and promotes rugs with the GoodWeave label – proof that they were made by a fairly employed adult. GoodWeave is succeeding at its mission: we have reduced the number of child laborers in the South Asian carpet industry to 300,000. Our vision is to bring that number down to zero, to help eliminate child labor from other industries, and to give every child an opportunity to go to school.

GoodWeave is also demonstrating the effectiveness of "social entrepreneurship," a hybrid of business-nonprofit practices that places market-generated income at the core of its funding model. Certification and social entrepreneurship movements are break-through experiments in global social change, and GoodWeave provides a laboratory from which both movements can learn.

After completing its first five years and proof-of-concept phase, GoodWeave USA received the Skoll Award for Social Entrepreneurship in 2005 that provided multi-year expansion funding to launch a market rollout through its "Most Beautiful Rug" campaign. This had already grown sales of GoodWeave certified rugs by nearly 100 percent with imports increasing from \$7.3 to \$13.2 million, or 2.8 percent market share, from 2005-2008. In late 2007 Humanity United awarded a generous grant to evaluate and learn from GoodWeave's expansion efforts – with the goal of making the organization as effective as possible, as well as experimenting with the idea of engaging in active learning *during* an aggressive campaign, rather than the more customary look-back reporting.

GoodWeave Operations

GoodWeave USA is part of a five-country network, GoodWeave International, operating in both producer (India and Nepal) and consumer countries (U.S., U.K. and Germany). GoodWeave fulfills its mission through:

- Monitoring and Certification – Inspectors in South Asia visit licensed manufacturers on a surprise, random basis. Companies that join GoodWeave and meet its strict no-child-labor standards are issued unique, traceable certification labels for their carpets.
- Rehabilitation and Education to Child Workers – GoodWeave inspectors rescue illegal child workers who are offered rehabilitation, education, vocational training and job placement. To date, GoodWeave has freed more than 3,200 children from weaving looms and returned them to their families or to GoodWeave-supported schools and rehabilitation centers.
- Child Labor Prevention – GoodWeave takes several direct actions to prevent child labor, from awareness work at all levels of producer communities, including the provision of day care and early childhood education for the children of carpet weavers and school sponsorship for children at-risk of working.

- Market Promotion and Expansion – GoodWeave offices in the U.S. and Europe implement consumer awareness campaigns and recruit importers and retailers to carry products certified child-labor-free with the GoodWeave label.
- International Governance and Accountability – A representative council from producing and consumer countries governs GoodWeave’s international network and standards.

GoodWeave believes that ultimately industry should pay for its own regulation and was set up as a self-financing model. U.S. importers who use the GoodWeave label on their rugs pay GoodWeave USA a license fee of 1.75 percent of the export value of shipments. Fifty-seven percent of these fees under-writes social programs in South Asia, the balance is invested in GoodWeave USA’s awareness campaign. Industry fees currently represent 22 percent of GoodWeave USA’s budget, and is expected to contribute to 50 percent of budget by as soon as 2011.

GoodWeave’s Goal: Market Tipping Point

If enough people decide to buy *one rug over another* because it was made without child labor, then retailers and importers will demand only child-labor-free rugs from their manufacturers in producing countries. This is GoodWeave’s theory of change. There will be a snowball effect, a “tipping point” in the market: businesses will sign with GoodWeave, because they need to stay competitive and because they recognize the need to address child labor. In other words, GoodWeave will remove the demand for rugs made with child labor and replace it with demand for certified child-labor-free rugs¹.

GoodWeave USA’s “Most Beautiful Rug” campaign aims to gain eight percent of the market by 2010, and 15 percent market share by as soon as 2012.² GoodWeave believes that this 15 percent market share in the U.S. will trigger the tipping point that ends child labor in South Asia’s handmade rug industry. Since the campaigns inception in 2006, GoodWeave’s market share has grown 130%, from 1.5% to 3.8%.

The Learning Process revealed that despite our stated theory of change, which assumes that consumer preferences drive market behavior, in practice we have implemented a two-pronged approach of focusing on consumers as well as direct engagement with retailers and importers. The Learning Process highlighted four ways market preference for certified product evolves:

1. Sellers’ desire to position themselves as socially responsible, either from moral grounds or perceived economic advantage
2. Sellers’ desire to avoid market risk of being “outed” as a purveyor of products tainted by child labor
3. Sellers’ inclination to work together as a sector, rather than as individual, independent actors.
4. Buyers’ wish to contribute to a greater good or create no harm.

GoodWeave anticipates accomplishing its tipping point in three phases. The first phase, “early adoption”, has already been completed; Odegard Company became GoodWeave USA’s first licensee and with its committed and dynamic CEO led a group of companies who signed with GoodWeave out of primarily social and ethical concerns. Now almost every company motivated by these factors alone has joined GoodWeave.

Now in phase two, “majority”, members are joining GoodWeave for economic advantages in addition to moral ones. In phase three, termed “late adoption” companies that may not ever pursue social issues in their operations will still sign with GoodWeave, because of the strong business case that certification presents.

¹ To sell certified child-labor-free rugs a company agrees to independent verification. This third-party certification is only way any company can make a credible claim that their product is child-labor-free.

² Market goal is achievable with average annual growth of 55 percent.

“Ideas and products and messages and behaviors spread just like viruses do.”
Malcolm Gladwell, *The Tipping Point: How Little Things Can Make a Big Difference.*”

The Learning Process: Accelerating hindsight

GoodWeave entered into the Learning Process to “learn as we go” – to examine theories of change and reaffirm or adapt strategies. The Learning Process marks a turning point in GoodWeave’s work. Now in the middle of the “Most Beautiful Rug Campaign” we better understand our target audience, have re-affirmed our positive campaign approach, made changes in the allocation of resources and identified the next round of strategy choices.

The Learning Process has aimed to:

- Strengthen GoodWeave’s “Most Beautiful Rug” campaign to end child labor, ensuring each strategy is necessary and together are sufficient to achieve the tipping point;
- Provide a framework to see *what* needs to be monitored and when, and what are the strategic implications to ensure timely course corrections;
- Broaden the community of GoodWeave’s intellectual partners to help achieve its mission;
- Share learning and deepen partnership with allies in the field.

The need for the Learning Process arose as GoodWeave USA entered a major growth phase and leadership wanted to ensure that heightened investments in its market change approach would result in the desired social change: ending child labor in the carpet industry. GoodWeave began to explore possible evaluation models and found that none existed that could help to both demonstrate impact and inform ongoing strategic choices.

At the same time, colleagues in the social entrepreneurship and philanthropic communities were asking some of the same questions about impact evaluation and “social return on investment”. Many agreed that GoodWeave’s simplicity, as a single-issue organization with a finite timetable to achieve its goal, make it an ideal laboratory for learning about evaluation models and market-driven social change.

Our Learning Process has involved:

1. Assembling a design team to discuss and think through the steps and to hire a consultant/facilitator. The design team agreed on an initial set of learning questions including:

- **Market Share Development** – How does GoodWeave ensure rapid market change versus incremental growth?
- **Consumer Awareness/Branding GoodWeave** – How does GoodWeave build brand recognition among purchasers of rugs with limited resources and capacity and better understand how this approach impacts market share growth?
- **Social Impact** - How does market expansion for certified rugs reduce child labor on carpet looms and generate other social benefits to weaving communities?
- **Tipping Point** - How can GoodWeave identify and reach its social change tipping point?

Two additional themes relating to all four categories above include the question of how GoodWeave can learn from and articulate its failures as well as successes. In addition, how can GoodWeave communicate its own learning in a way that’s applicable to ally groups, as well as clarify what’s replicable and what’s unique to GoodWeave?

2. Convening an Advisory Group with a diverse set of expertise, including child labor, supply chain management, branding, certification of ethical and sustainable products, and large-scale social change (see advisor biographies in section IX). This group has been consulted individually throughout the Learning Process and has participated in two meetings.

3. Organizing two Advisory Meetings. The first focused on the market with a review of GoodWeave's theory of change, the assumptions underlying it and data demonstrating that its market strategies are working. Advisors discussed what questions they felt still needed to be answered in order to ensure GoodWeave's approach was the right one, as well as potential immediate strategy changes. A second Advisory Meeting focused on GoodWeave's social change accomplishments, the link between these changes and market growth for certified rugs, a signposts exercise (see Section VIII, "Signposts: Picturing a Child-Labor-Free Marketplace and Working Backwards"), as well as additional questions that remain.

4. Documenting and outsourcing initial data collection as prioritized by advisors (see sections VI. "Certification as a Strategy" and VII "Nepal Case Study" for summaries).

Staff also prepared a set of "learning questions" and a matrix describing what we already know, gaps in knowledge and ways to close those gaps. Advisors reviewed the matrix and provided additional feedback, incorporated into this paper.

5. Now that the Learning Process is started, it will never end. It has become an active and ongoing part of strategy review and implementation. After this report is released we will have meetings and phone calls with several people to engage their feedback, and changes to the report will be made as needed, but at least annually. This Learning Process report will also be a focal point for strategic review at GoodWeave USA Board meetings, and will morph into several formats from reporting to planning documents as the various aspects of this program are incorporated into GoodWeave's daily work.



GOODWEAVE'S BUSINESS CASE IN A CHANGING MARKET

A well-communicated business case is at the heart of GoodWeave's strategy to re-tool its "Most Beautiful Rug" campaign in 2009. The business case is building. Now we must design a program to multiply this effort. Given the frugal environment of this economic downturn it is even more necessary to quantify the value of GoodWeave certification, and to show that it is a needed business decision. CEO's will increasingly question line items in their budgets, and the cost of certification must be presented as an investment with a quick payback, not a sunk cost, or it may be delayed.

GoodWeave's goal is foremost to gain market share, whether that be of a shrinking or a growing overall market. Smart strategy now will then nicely position our label for when the rebound occurs. Evidence is also trickling in that consumers and especially LOHAS consumers, while cutting back overall, are also falling back on their most fundamental values. Ethical certification is how they identify products. As noted already GoodWeave has accomplished 'Phase One, early adoption' of gaining market share by signing ethically motivated companies. Now it is in 'Phase Two, majority' of signing companies that see moral and economic advantage, and 'Phase Three, late adoption' is starting -- of achieving the tipping point with the signing of companies who do so to stay competitive.

Plans are underway for a 2011 Macy's partnership launch, and at least one other industry leader is slated to begin selling GoodWeave certified rugs. Documenting a positive bottom line result for these trend-setters will be a programmatic focus for GoodWeave in 2011. The experience of these new members in their first few quarters as certified importers can be used to confirm industry's evolving good perception of GoodWeave, as new notice will be taken by others who have to date been watching and waiting.

The positive side of the business case is:

- The GoodWeave has value that is growing.
- GoodWeave membership increases sales with existing and new customers.
- Use of the GoodWeave can improve margins -- its effectiveness with purchasers can reduce other marketing costs and diminish price negotiations at the close of a sale.
- GoodWeave reduces risk to the brand and sales.

There is also a negative side to the business case, a cost of not labeling:

- If a company were to pay someone to do their own monitoring, what would it cost? Would it carry adequate credibility in the market, versus GoodWeave's independent, third party certification?
- And what does it do to a brand if child labor is found. Do they lose sales? Do they lose equity in their brand?
- Furthermore, if major importers had evidence of child labor in their supply chain and were concerned about potential brand damage, they might be influenced to move toward certified product without the need for a public campaign.
- As rug orders decline and looms close, family income declines. Children are most vulnerable to being recruited for work, making GoodWeave's education programs even more important.

Another part of building and packaging GoodWeave's business case is the concept of creating a shared vision in the rug industry. This was not possible five years ago but it may be time to become a convener of the industry in positioning a large group of manufacturers and retailers as coming together around a common good. This is one of several ideas to be considered as a potential strategy in the coming months.



STRATEGY CHANGES AS A RESULT OF THE LEARNING PROCESS

The Learning Process has already led to immediate program adjustments. These include developing new campaign strategies, strengthening brand recognition in partnership with the industry, refocusing dialogue with large-scale retailers, anticipating supply-side issues earlier, and defining new staff roles. Most of the points made in this section are also mentioned in greater detail (but not all in one place) elsewhere in this document.

Campaign Strategies

As GoodWeave refreshes its “Most Beautiful Rug” campaign, Advisors questioned whether to abandon its positive messaging approach. As a result, independent research was conducted in the form of extensive interviews with other certification and market-based social change initiatives. Based on the results, outlined in section IV, “Certification as a Strategy: Lessons From the Broader Field,” GoodWeave has confirmed that a positive branding campaign will more easily result in building rug industry allies and partners.

Before developing messaging and collateral, GoodWeave will commission market research to include focus groups and industry and consumer demographic data. A primary goal is to understand how to shift consumers from saying “I don’t know anything” to “I will buy only a GoodWeave rug”.

Building the Business and the Case

While its business case is growing, GoodWeave seeks new ways to demonstrate the value of its label. As certified rugs appear in Macy’s stores in 2010, GoodWeave will invest in co-branding and use the test-market opportunity to demonstrate the label’s intrinsic value.

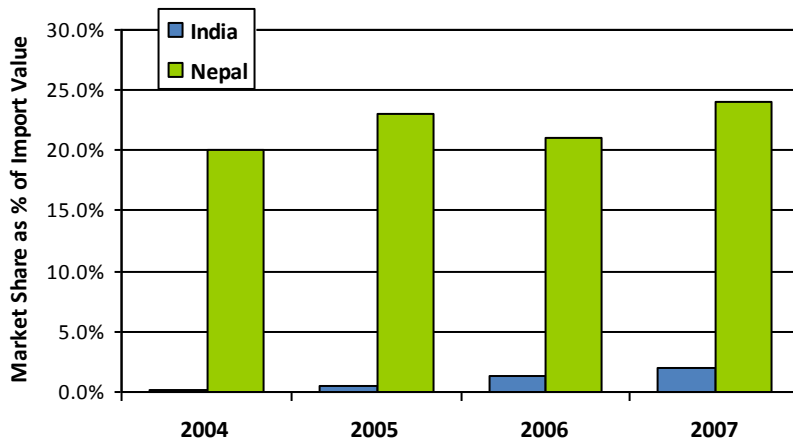
Sales training programs will be developed and delivered to ensure that individuals on the showroom floor are inspired and informed to multiply the GoodWeave message to rug purchasers.

Increasing Label Prevalence

As described in section VIII, “Signposts: Let’s Picture a Child-labor-free Marketplace and Work Backwards”, Advisors identified the widespread use of the GoodWeave label on industry partner advertising, websites and other collateral as a signal that the GoodWeave label is increasing in value and that the market is tipping towards child-labor-free. As a result, GoodWeave hired new staff to lead partner co-branding initiatives – if the goal is to see the label, then this is something we can make happen very quickly. Much of the time it is simply a matter of putting in the time to call partners and remind them to use it.

Ensure Supply of Certified Rugs Meets Growing Demand

While GoodWeave USA has achieved nearly 3 percent market share overall, its share of rugs imported from Nepal is nearly 30 percent. This market success story piqued Advisors interest in why the same traction has not been achieved in India for example. Some of the reasons identified include that GoodWeave's inspection and monitoring and social programs are strongest in Nepal and that many of the U.S. importers who work in Nepal are more open to incorporating social responsibility into their business standards. As GoodWeave nears a saturation point in the Nepalese market, it must better understand and address supply-side barriers to growth in India and other producer countries. The key to market leaps depend on this, and Advisors suggest that a next round of investigation understand this more deeply.



Upcoming Strategy Considerations

- Is it more effective to take an industry-wide approach versus one-by-one company dialogue? Is it possible to build a shared vision with those who have been resistant?
- GoodWeave will consider the best way to help convene an industry roundtable to facilitate whether such a shared vision can be created and if so, how.
- Who are the strongest allies to present the case differentiating between GoodWeave's work and process versus other 1st party efforts?

GoodWeave has an established partnership with the U.S. Fund for UNICEF. USF's credibility and brand recognition strengthens GoodWeave's own brand. GoodWeave will highlight this partnership to further its mission and strengthen its brand.

Longer-term Strategy Considerations

- Is GoodWeave's business model the right one to effect change? IE Why does the system focus on the importer? Is market penetration limited by the requirement to have the importer and exporter licensed? Is product certification a limiting factor? Could brand certification work better?
- Does GoodWeave need to consider expanding its certification to machine-made rugs as a vehicle for education and addressing the problem of "certified vs. non-certified" at the point-of-sale?
- In environments where child labor is present, could GoodWeave adapt its programmatic focus to keep it out? How do we evaluate and evolve priorities on the ground, including when success is achieved?

THE LINK BETWEEN MARKET CHANGE AND HUMAN RIGHTS

GoodWeave's theory of change is based on assumptions about market dynamics in the rug industry. In the following we evaluate our assumptions in two categories: market and social/child labor. We then identify the data that supports each assumption, as well as the gaps in knowledge and ongoing data collection required – either by GoodWeave or by research partners. A key part of this project is to tap third-party research, which can accomplish more and enable GoodWeave to focus on its programmatic work.

The purpose of data-collection is to answer the original questions GoodWeave identified:

- **Market Share Development** – How does GoodWeave ensure rapid market change versus incremental growth?
- **Consumer Awareness/Branding GoodWeave** – How does GoodWeave build brand recognition among purchasers of rugs with limited resources and capacity and better understand how this approach impacts market share growth?
- **Social Impact** - How does market expansion for certified rugs reduce child labor on carpet looms and generate other social benefits to weaving communities?
- **Tipping Point** - How can GoodWeave identify and reach its social change tipping point?

And to use the answers to strengthen GoodWeave's business case, inform its strategic choices and confirm its intended impact to end child labor.

MARKET ASSUMPTIONS

Business Case

Assumption: The GoodWeave certification label has stand alone value. This value manifests for businesses in sales created and closed, access to a subset of consumers, and the GoodWeave label itself as a recognized marketing symbol. The label enables consumers to shop with their values and easily identify rugs made under humane conditions. As customer preference for certified rugs increases, the economic value of the label also increases and non-certified rugs become associated with greater brand and reputational risk.

Supporting evidence:

- Members increasingly use the GoodWeave logo in their advertising, websites and marketing material.
- Member surveys reveal that approximately 2 out of 10 customers request the GoodWeave label.



Remaining questions or comments:

- Evidence that GoodWeave has gathered on customer preference is not adequate due to the small sampling of retailers interviewed.
- What is the economic value of the GoodWeave label all along the supply chain and how can that value be enhanced?

GoodWeave Research Agenda:

- Continue and refine consumer and importer and retailer surveys.
- Document the instances and ways that industry members use the GoodWeave logo.

Partner Research Agenda:

- Researchers at Dartmouth College and Harvard University propose to document the relationship between certification and increased margin and sales.

Assumption: There is a business case to be made to exporters, importers, and retailers that their companies will return greater profits and stability if they sign with GoodWeave (and proclaim that they operate in an economically just manner).

Supporting evidence:

- Surveyed members report that GoodWeave helps close 19 percent of sales.
- Myriad anecdotal industry member quotes, such as “I had a customer who was purchasing 10 rugs for a household, but it became apparent there was another company bidding on the order, so we had to pull out the stops. I explained ... that this was a company concerned with the child labor issue and associated with GoodWeave. That made the difference and reiterated our reputation as responsible, as “good guys.” We got the order.” – Andrew Neave, Lapchi LA
- Beyond GoodWeave data we have already collected several studies that conclude consumers prefer to purchase products made under ethical conditions and that certification could provide price elasticity and increased profit potential:
 - i. Approximately 68 million people are considered LOHAS consumers (they purchase with health and social and environmental values in mind).
 - ii. Certified fair trade product sales increased 42% in 06 reaching \$2.4 billion retail.
 - iii. Certified organic food sales have grown approximately 20% per year, reaching just under \$16 billion in 2006.
 - iv. LEED-registered projects account for 25% of new construction in the USA.
 - v. 80% of designers at the top 100 firms are requesting more information about eco-friendly products.
 - vi. A 2005 Harvard study found; firms that switch to labeled goods certifying ethical production could charge a 10 - 20% premium and expect sales to rise.
 - vii. A May 12, 2008 *Wall Street Journal* report showed consumers are willing to pay a premium for ethically produced products.
 - viii. A 2007 Cone Study shows that 90 percent of consumers would consider switching to another company’s products or services if a company were to behave illegally or unethically.

Remaining Questions and Comments:

- GoodWeave would like more concrete evidence to demonstrate improved margin and increased sales.
- What are the real reasons exporters and importers join GoodWeave?
- To what extent does the industry require more evidence that the problem of child labor is broader or more relevant than might be suspected?

GoodWeave Research Agenda:

- Continue and refine industry member surveys to collect key financial data, consumer awareness and anecdotal evidence. Advisors emphasize the importance of anecdotal information that implies the business case.

Partner Research Agenda:

- Conduct point-of-sale information gathering to understand consumer decision-making.
- Analyze existing case studies linking improved business to social responsibility.
- Implement rug industry surveys with members and non-members.
- Tap U.S. Department of Labor study measuring incidence of child labor in carpet weaving, to be completed in 2011.

Consumer Awareness

Assumption: Increased awareness of child labor translates to sales of GoodWeave certified rugs. Consumer and industry awareness campaigning is required to achieve this.

Supporting evidence:

- GoodWeave licensees are selling more rugs. Despite flat or falling sales in the overall industry, sales by GoodWeave's top 7 licensees have increased by 15 percent from 2006 to 2007.
- Quickening of market growth coincided with the launch of GoodWeave's "Most Beautiful Rug" campaign. GoodWeave introduced its campaign with a baseline market share of 1%; that market share grew to 2.8% in 2008.
- Since launching "The Most Beautiful Rug," GoodWeave has had more contact with retailers and importers, increased consumer and trade media placements, and focused on interior designers as market influencers. This positive messaging campaign has delivered an average growth of 21 percent per year over the last three years.
- GoodWeave has documented a shift in its industry dialogue with conversations reflecting a heightened industry awareness and need to act. GoodWeave is entering the "late adopter" phase.

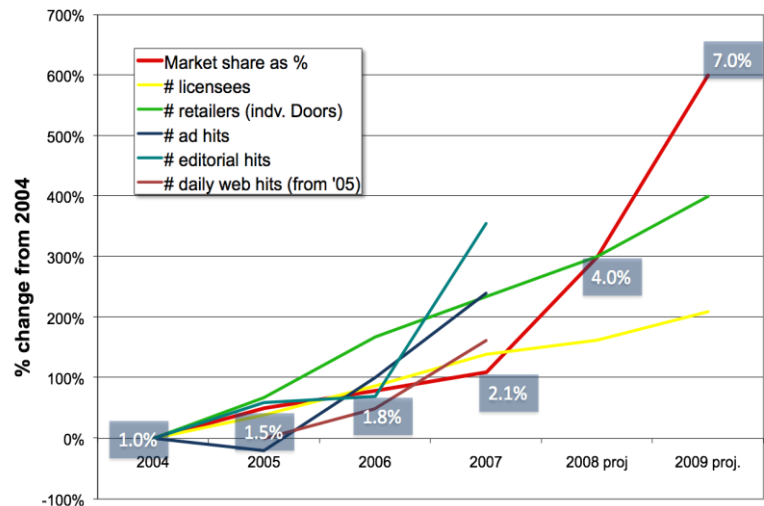
Remaining Questions and Comments:

- How does increased awareness translate to market growth and business change?
- How can we ensure the right people are being made aware of GoodWeave and that they are moved to act and purchase only a certified rug?
- Consumer awareness and business-to-business communications need to happen simultaneously. Which consumer levers influence business to business awareness, how does business awareness influence consumers, and how does GoodWeave ensure it is pulling those that will cause greatest market impact?

- What is the awareness-raising effect of GoodWeave for the broader movement to end child labor?

GoodWeave Research Agenda:

- Market share growth is one of the most important data points that GoodWeave tracks and this will continue.
- Advisors recommend GoodWeave continue to use five simple indicators to track increase in awareness and effectiveness of strategies: market growth, editorial coverage, advertising placements, Web traffic, growth in numbers/volume by retailers and importers.
- Continue and expand its own consumer surveys.
- Conduct focus groups and demographic research as campaign is refreshed.



Partner Research Agenda:

- Contact top industry players to answer questions and inform strategy.

Market Factors Beyond GoodWeave Control

Today's economic climate is worse than any that most companies have weathered. Ultimately, sales will ebb and flow to a certain extent with the economy, however GoodWeave's market share can always continue to grow. Even if the overall market and associated revenue shrinks, GoodWeave can still gain market share. When the market recovers again, GoodWeave just needs to consider what factors might erode market share, and work to maintain and grow its market constituency as the pace picks up again. Competition can sometimes increase or decrease with the economy, and other market dynamics can also move in a counterintuitive direction. GoodWeave must monitor and adapt its messaging and strategy as the market changes.

SOCIAL/CHILD LABOR ASSUMPTIONS

Assumption: GoodWeave-inspected looms and factories are child-labor-free. GoodWeave's influence, however, goes beyond the looms it monitors and companies it licenses. Because of GoodWeave, people do something: some fund schools, additional child labor is prevented outside of certified factories and some join other industry initiatives. GoodWeave's very existence therefore reduces child labor and brings additional benefits to producer communities.

Supporting Evidence:

- A decrease of child labor has coincided with GoodWeave's operations. Data from UNICEF and U.S. Department of Labor reports show that in GoodWeave's first decade of operation, child labor on South Asian looms dropped from 1 million to 300,000 as market share grew to 1.5 percent.³
- Marked increase in the funding schools and social programs by industry members, and other industry initiatives such as Care & Fair and Step.

Remaining Questions or Comments:

- Is there a way to document this deterrence, short of direct interviews with manufacturers who are not GoodWeave certified?
- GoodWeave certification works at the top of the market. At the same time the worst performers need to be called out and addressed. Twin approaches are required and certification groups must keep in step with what's happening throughout the market.

GoodWeave Research Agenda: Document industry support of and participation in non-GoodWeave programs.

Partner Research Agenda:

- Other organizations evaluating conditions that contribute to child labor and human slavery can provide insights. Most specifically, a U.S. Department of Labor funded study documenting the incidence of child labor in the handmade carpet industries of India, Nepal and Pakistan and best practices.
- Dartmouth College researchers seek to evaluate the impact of **GoodWeave's** standard enforcement on children and families in India as its efforts scale-up there.

Assumption: The financial and social benefits to communities from eliminating child labor outweigh any immediate, perceived economic gain to employers and parents. Subsequently educating a child and keeping her or him as a part of the community has a self-perpetuating effect that further prevents child labor.

Supporting Evidence:

- Study by Evidence, an Indian Human Rights Group, reveals that 85 percent of parents of surveyed child laborers in India were child laborers themselves.
- Parents have willingly sold their children or engage in contracts for their labor, rather than enrolling them in school. Now local attitudes about the value of educating children are changing in producing countries. Parents of children who have benefited from GoodWeave early

³ Extrapolated from U.S. Department of Labor and UNICEF reports.

childhood education and school-sponsorship programs are now finding resources to send other siblings and children to school. Education is increasing in importance in the communities.

Remaining Questions or Comments:

- How can we better measure and articulate how GoodWeave helps communities? Can we track any increase in school enrollment and decrease in children feeding from communities into rug factories?
- How could the expansion of GoodWeave's proactive child labor prevention programs, including sponsored education and day care provision, reduce child labor incidence?
- Is it possible to develop a "GoodWeave Index" that uses a variety of data to illustrate a community that does not rely on child labor?

Partner Research Agenda:

- Beneficiary interviews.
- Dartmouth College researchers propose to measure benefits of social protection programs.

Assumption: Increased market growth will reduce and ultimately end child labor in carpet-making. Until GoodWeave saturates consumer markets, child labor will continue to exist in producer countries. This is the very core of GoodWeave's mandate. Without achieving the tipping point we don't eradicate the problem.

Supporting evidence: The number of children rescued, rehabilitated and schooled with GoodWeave support is growing, though slowly. Since 1995 GoodWeave inspectors have directly rescued more than 3,600 children, and observe that the number of children identified on looms has trended downward. Slow growth rates in rescue, rehabilitation and schooling may suggest room for improvement, or may in fact herald good news that the influx of child labor is diminishing.

Remaining Question: How does market expansion for certified rugs reduce child labor?

GoodWeave projects major market share growth in the coming years that should directly correlate to major reductions in child labor – we have 300,000 left employed. How do we focus on the connection between market growth and tipping point?

GoodWeave Research Agenda:

- Continue to track number of identified and rescued children.

Partner Research Agenda:

- Dartmouth College affiliated research to track certified rugs from weaving communities to consumers, documenting benefits along the way.
- Studies can track child labor incidence in GoodWeave countries (India and Nepal).
- Numbers can be extrapolated from ongoing studies by the US Department of Labor (described previously), and reports from the International Labor Organization, UNICEF and others.

HUMAN RIGHTS FACTORS BEYOND GOODWEAVE CONTROL

Inspection, monitoring and certification are not the only factors influencing child labor. Civil war, changes in production techniques and locations, and government investments in enforcement and education all affect child labor. There may be conditions under which inspection and certification can take hold fruitfully and other conditions where investment in new geographic or product markets would run aground. How does economy impact human rights?



CERTIFICATION AS A STRATEGY: LESSONS FROM THE BROADER FIELD

Carrots and Sticks: What brings retailers and importers to embrace the label?

Certified products gain market share and subsequently achieve social impact through: consumer awareness about social and environmental issues; concerns of manufacturers, importers, and retailers about brand reputation; and availability of credible information to differentiate products according to social and environmental criteria.

Research for GoodWeave's Learning Process surfaced lessons about how these forces bring retailers and importers to the table. The experience of colleague organizations certifying products as Fair Trade (coffee and other commodities), environmentally sustainable (fish, forest products, electronics), or produced in socially just conditions (gold, forest products) leads to the following conclusions:

The value of affiliating with a certifying organization is strongly associated with brand. Importers and retailers who sign on with a certifying partner expect to get a “halo effect” specific to the certifier’s label, but also extending to improving relationships and sharing brand cachet with other organizations and products in the certifying organization’s network. Most successful organizations invest strategically in identifying and recruiting like-minded partners to become part of their “package.”

Business development is as important a part of the business as certification itself. In some of the most successful certification organizations, half the staff work in business development.

Consumers are an important, but not the only point of leverage. Forest Stewardship Council, and to some extent Marine Stewardship Council, have gained market share primarily through business-to-business relationships. The rug industry is one with a fairly limited number of large players, and we do not yet have a definitive answer to what will be the best way to influence them – that is, what proportion of resources to invest in consumer awareness, vs. complementary strategies.

Consumer pressure alone does not turn the tide. The “working theory” of certifying organizations has evolved from relying on public awareness as the primary tool, to identifying insiders with the greatest potential to influence policy. This is backed with demonstrated ability to take the conversation public as a supporting strategy. This leadership from within may be a champion within a company (Unilever, Walmart, Tiffany’s, etc.); or, the collective desire of employees.

Pressure campaigns risk certifying organizations’ reputations with their industry. In general, certifying organizations work best to position themselves as solutions to an issue or concern for the business. Their credibility is low if they are also seen as contributors to the creation of that problem. Trust is vital since the certification process requires sharing of sensitive business data. In general certifying organizations can be part of a movement whose goals include pressure tactics, but they must maintain a “firewall” between themselves and business “opponents.” This should raise a caution about sharing board members and entering into formal collaboration except on specific noncontroversial aspects. Certifying organizations cannot be seen as benefiting financially from campaign partners’ work—there can be no direct money trail between the two groups.

NEPAL: A CASE STUDY

Since it was founded in 1996, the Nepal GoodWeave Foundation (NRF), soon to be GoodWeave Nepal, has saved approximately 2,000 children from rug factories, and 75 percent of the carpet production capacity in Nepal is now under the auspices of GoodWeave's inspections program. NRF has also expanded its efforts to provide other benefits to weaving communities, including worker health and safety trainings, literacy classes, mobile health camps and a school sponsorship program for carpet workers' children.

By reflecting on our work in Nepal, we have distilled a number of valuable lessons that can be applied to other GoodWeave campaigns and to the certification movement at large:

Akkas, one of 2,000 children rescued from rug factories in Nepal, is now at the GoodWeave rehabilitation center, renewing his dream of getting an education.



- Establishing operational and governance systems early is important.
- Legitimacy comes when both the public and private sectors are seated at the table together.
- There must be a support system to help children from the onset (which is what differentiates GoodWeave from sister groups in the certification world).
- Inspections of production facilities must occur on a surprise, random basis.
- Success in a producer region is directly linked to market growth (in NRF's case, U.S. growth was critical), but not exclusively.
- Civil unrest and political strife pose an array of challenges.

Examining our progress has also led to further questions:

- Now that 75% of the looms in Nepal are inspected by GoodWeave—an almost unprecedented market saturation for an ethical certification program—how much should we invest in identifying and certifying the remaining 25%?
- As a result of GoodWeave's work, education for children is now more valued among parents in villages. How can we determine GoodWeave's role in this change?
- GoodWeave is paid based on the number of rugs that are labeled, and only about 10% of rugs made in NRF-certified factories actually bear the GoodWeave® label. How can we raise more money without driving up costs and thus decreasing participation in the program?



SIGNPOSTS: LET'S PICTURE THE FUTURE AND WORK BACKWARDS

We want to know the “tipping point” in eradicating child labor on carpet looms is coming, before any formal research confirms its arrival. This is a primary Learning Process goal, which at first seemed so simple, but visioning the future and how to get there turned out to be a big mind bend. In the end, (actually we are still in the middle) it gave clear steps on how to accelerate the tipping point. During our second learning meeting we formed small groups with our experts and came out with “sound bites” of what the future will look like, and what we will see in the world to show that the tipping point is close.

Confirmation is not possible until after the fact, but evidence of the “direction in which trends are moving” – is often readily available. One example was importers’ reaction to GoodWeave outreach. Over time, the typical response shifted from “that’s not important to us” to “we’re already doing something about that” – evidence that the industry has received the message that it should be positioned on the “right” side of the child labor issue. This translates to a signpost in the market that unsigned companies at least admit to the existence of the child labor problem, and want to appear responsible on the topic. Since this signpost has already been reached, it is not part of our list of those to watch.

All these together are really just a reframing of our core activities, but by envisioning it as if it had already occurred, we were able to better see what we can do now to accelerate their happening.

There is also the idea that research can come in the form of implementation, experimentation with strategies. The refresh of the “Most Beautiful Rug” campaign next year will be a direct outcome of the Learning Process.

Here is a picture of the future when the tipping point is achieved or at least well on its way:

Signpost: Industry leaders, at least a couple, have signed with GoodWeave

What it means: Macy’s, ABC Carpets & Home, Pier One, Design Within Reach, Pottery Barn or Crate and Barrel sell GoodWeave rugs. The Rug Company of London signed with GoodWeave this summer, a signal that market leaders are watching. These companies will pull the rest of the industry, and with just a couple of them as members GoodWeave could achieve the tipping point from secondary companies following. Companies would sign because of a climate change in the industry, where having the GoodWeave label is just part of what you must do to be a legitimate company. As mentioned previously, these are the final “phase three” signals.

Making it happen: GoodWeave has invested resources in target companies, primarily Macy’s, but could do more and should be in active discussions with all of the named companies. This requires knowing about their business models and the source of their reluctance to be certified; having better data about the economic value of a “preferred” certified brand and GoodWeave’s broader business case; and putting forth the staff resources from GoodWeave to meet not only with senior management but also with buyers and others within and outside the company who can influence senior management. When one of these major companies signs with GoodWeave, we must be ready to devote resources to a joint rollout that does everything possible to make their experience with GoodWeave successful. GoodWeave would then seek endorsements from industry influentials to help sign the rest of the market.

Signpost: Wholesalers and retailers are “co-branding” with GoodWeave

What it means: This is all about seeing the label, and knowing the label has value because you see it more often. In their advertisements, sales materials and media outreach, GoodWeave members will put

forward the GoodWeave label as part of the image that they present to the public. The GoodWeave label will have more value every time it is used, and industry will in essence be doing our work for us by proliferating recognition of the label. Just talking about GoodWeave as a label with commercial value shows a departure from GoodWeave's early years; to the industry, GoodWeave is no longer an agitator, but rather a business tool.

Making it happen: If we want to see more of the GoodWeave label, then we must leverage partnerships with members to implement our campaign. As a direct result of the Learning Process conversations we hired a consultant to call all of our members and ask whether they are using the GoodWeave label as much as possible, with sales pitches that prominently display "We offer GoodWeave certified child-labor-free products." This member outreach has already materialized several more joint-marketing placements and initiated active dialogue with many retailers around using GoodWeave to initiate and close sales. We track use of the GoodWeave label in print and broadcast advertising so results from this effort in effecting sales and market share increase will be traceable. It also resulted in the hiring of a permanent staff to focus on industry member co-branding.

Signpost: Increased Media coverage of GoodWeave

What is means: Nina Smith and GoodWeave members will finally appear on *Oprah!* Foremost print coverage will increase in magazines targeted at industry, designers and high-end consumers, as well as network morning shows, mainstream news coverage, and high-traffic blogs. We envision the *Wall Street Journal* and Inc. covering the new entrepreneurialism of GoodWeave's market transformation effort, media becoming the ethical watchdogs of the industry by praising companies for adopting the GoodWeave and criticizing those who don't (although not at our behest).

Making it happen: Since the aggressive media push of the "Most Beautiful Rug" campaign launched in 2006 we have seen marked growth in full stories and mentions of GoodWeave across all targeted print and broadcast outlets. This is an example of a GoodWeave strategy that is working and will be continued. We will also broaden our pitches to media and develop more direct relationships with key journalists. We should position GoodWeave as the "go to" organization for questions about child labor, the anti-slavery movement, certification both in our industry and more broadly, and market-based efforts to address human rights and environmental problems.

Signpost: Salespeople are using GoodWeave as a sales tool

What is means: If you go to a showroom the salesperson will ask you if you are aware of GoodWeave and describe it as a positive attribute of their product, one that you as a buyer should ensure that you have when you make your final decision. In conversations with customers they may use it as an opener, a closer, or both. You will also see the GoodWeave label displayed in the showroom and on sales materials, and perhaps also information about child labor and what their company, or the rug industry as a whole, is trying to do to educate children and keep them out of the workforce.

Making it happen: This in part relates to better articulating GoodWeave's business case. We have evidence from surveys of salespeople that shows that two in ten people ask for the GoodWeave label, and that the GoodWeave label has been pivotal in closing in 19 percent of sales. We can do a better job of collecting and communicating this information as well as direct training of sales staff for retailers, which is something we have not yet done.

Signpost: GoodWeave is part of other trends and shifts in the market

What this means: GoodWeave will be incorporated into other standards, including US Green Building ReGreen and LEED certifications. Similarly, GoodWeave will be promoted as part of the solution by other anti-slavery, child labor and broader human rights movements, who may include GoodWeave in their awareness campaigns and educational materials.

Making it happen: We'll start negotiations. This is a direct way to multiply the "Most Beautiful Rug" campaign. In 2011 we will reach out to the applicable standards organizations to incorporate the GoodWeave label and to also interface with other nonprofit organizations and movement organizers. One example discussed in the learning meeting was the high number of hybrid car purchasers who do so because of pressure from their children. There may be a place for GoodWeave in youth movements, or some other avenue of influence not yet identified.

Signpost: People in producer country villages will be intolerant to child labor and place child education as a priority in their communities

What is means: There will be a high level of awareness of trafficking and exploitation. School enrollment rates will be high, literacy will increase, and perhaps 20 years after a full generation is educated the cycle of poverty will end. Police will be engaged in the enforcement of child labor laws, although the need to do so will diminish.

Making it happen: We can encourage partnership of local GoodWeave offices with other human rights and service organizations to generate awareness and shape values – to show them that there is another way that does not require the sacrifice of their children. An effort such as this would require a local campaign that would look vastly different from "The Most Beautiful Rug." We may also discover that we can create useful tools – a "GoodWeave index", for example, to illustrate defining features of a community that doesn't rely on child labor.



WHAT'S NEXT: LESSONS FOR THE FIELD

We recommend the Learning Process to any organization. Defining the learning agenda is itself a complex task, and it is important to spend significant time on this because it is the foundation of all that follows. Hearing the perspective of experts from different sectors paid off, both in highlighting overlooked dimensions of the theory of change, and in providing immediate, actionable input to sharpen strategies. The process developed in waves of broadening and narrowing the agenda, and still continues.

GoodWeave is early in its process, but does have specific experience to impart to others, beyond the sharing of this report. GoodWeave intends to use this paper as the basis for a presentation that can be made at conferences and workshops. We will share our learning story with philanthropy media and invite a discussion group of Executive Directors implementing such efforts with the hope of leveraging one another's efforts. And in general, we expect to be at the table as conversations evolve on the learning topic.

The Packard Foundation has launched a program of research and grant making, engaging the National Academies of Science's Sustainability Roundtable and others to explore how research can improve certification and labeling as a tool for social change. ISEAL, the member association for social and environmental certifying organizations, plans to launch a learning network focused on developing standards and practices for measuring impact and GoodWeave's experience will be included. And, in sectors from agriculture to biofuels and the whole array of consumer goods, manufacturers and retailers are experimenting with social and environmental labeling.



LEARNING PROCESS ADVISOR BIOGRAPHIES

Doug Cahn is the principal of *TheCahnGroup, LLC*, a corporate responsibility consultancy dedicated to creating sound business practices that are consistent with societal needs and stakeholder expectations. Mr. Cahn has been a corporate responsibility and public policy executive for nearly 30 years. He served as vice president of human rights programs at Reebok International for 15 years; developed a child labor free soccer ball factory in Pakistan; and was a founding Board member of the Fair Labor Association and the Committee on Corporate Responsibility of the World Federation of the Sporting Goods Industry. In addition to serving on the Board of Verite, Cahn is Chairman of the Board of the Fair Factories Clearinghouse, a non-profit initiative of global retail companies, consumer brands and retail trade associations dedicated to creating a system for managing and sharing information about workplace conditions.

Michael Conroy is a former academic, funder, advocate and analyst who has been at the forefront of the movement to build systems that encourage and reward higher standards of corporate accountability for the past 12 years. Building on a 25-year academic career as a Professor of Economics at the University of Texas at Austin and later as a Senior Research Scholar and Senior Lecturer at Yale University, Dr. Conroy has taught, researched, and written about the “certification revolution”. He has also spent a dozen years outside academia in the philanthropic world, first at the Ford Foundation and then with the Rockefeller Brothers Fund building new modes of corporate accountability through support for the development of certification systems in sustainable forestry, Fair Trade for agricultural commodities, responsible mining, sustainable tourism and ecotourism, and a wide range of other explorations still coming together. His latest book, published in September 2007, is *Branded! How the ‘Certification Revolution’ Is Transforming Global Corporations*, (Vancouver and London: New Society Publishers).

JD Doliner is a principal in Opus4, a venture capital and business development consulting group. Previously Ms. Doliner was Senior Vice President at Environmental Enterprises Assistance Fund where she directed fundraising for investment and operations, deal origination, marketing and strategic planning. During her tenure at EEAF, Doliner designed some of the first environmental venture capital funds and led efforts to engage \$70 million in investments and \$25 million in grants. She also served as lead investment officer for several portfolio companies spanning renewable energy, organic agriculture and other sectors, and has participated in more than fifty transactions. Doliner serves on the Boards of Directors of GoodWeave USA, Pesticide Action Network and Fiber Futures

Eric Edmonds is an Associate Professor of Economics at Dartmouth College. Mr. Edmonds is Director of the Child Labor Network at the Institute for the Study of Labor (IZA), a Faculty Research Fellow at the National Bureau of Economic Research, a Research Fellow at IZA, and an associate editor at Economic Development and Cultural Change. His research focuses on improving our empirical understanding of the reasons for the prevalence and persistence of child labor, illiteracy, and low levels of schooling attainment in low income countries. Edmonds received his Ph.D. in Economics from Princeton University and a M.A. and B.A. in Economics from the University of Chicago.

Patricia Hambrick is President of the Hambrick Group, where she has been creating marketing strategies and solutions for fast-paced Internet and Fortune 500 companies. Recent clients include The Gillette Company, Microsoft xBox 360, eDiets.com, and the business enterprise for tennis star Andre Agassi, AEI. Early in her career, Pat led the development and successful launch of Finesse shampoo, conditioner and styling products for Helene Curtis. Today the Finesse line generates over \$250 million in annual sales and the company has been sold to Unilever. After Helene Curtis, Pat served in senior marketing positions at L'Oreal and Clairol. In 1991, Pat moved into athletic footwear, joining Hyde Athletic Industries as Vice President of Marketing and Sales with responsibilities for North America and helped increase sales of the flagship Saucony brand by over 150%. In 1994 Pat joined Reebok as Group Vice President, Global Marketing. Pat created Reebok's brand strategy for the 1996 Olympics and launched the revolutionary DMX Series 2000 footwear.

Anita McGahan is a professor of strategic management at the University of Toronto's Rotman School of Management. She is the author of a 2004 HBS Press book called "How Industries Evolve," and was co-editor of the 21st volume of "Advances in Strategic Management," which deals with issues of industry change. Professor McGahan is a Senior Associate at the Institute for Strategy and Competitiveness at Harvard University, where she collaborates on research with Harvard Business School Professor Michael Porter. She is also currently the Senior Economist at the Massachusetts General Hospital Center for Global Health where an anti-human trafficking project is underway. In 2001, Professor McGahan was named by *CIO Magazine* as one of five international experts on the strategic use of technology. She was formerly a consultant at McKinsey & Company and also worked at Morgan Stanley & Company. Between 2000 and 2007, she was Professor of Strategy & Policy and Everett Lord Distinguished Faculty Scholar at the Boston University School of Management. Previously, she was on the faculty at Harvard Business School.

Carl Negin is a Senior Vice President and Brand Strategy Executive at Bank of America. In his role he set's the strategic direction of the Bank of America brand and sub-brands across the enterprise to position for revenue growth and to elevate the global reputation, perception and capabilities of the Bank. Mr. Negin also supports the Bank's Global Community Impact marketing strategy including \$200 million annually in philanthropic giving and its 10-year, \$20 billion environmental commitment. Mr. Negin was formerly a strategy consultant for the Monitor Group and Lippincott, the preeminent brand and design consultancy. While at Monitor he led global projects for a diverse set of clients including Hyundai Motors, Duke Energy and the South African Ministry of Tourism. He has a Bachelor of Architecture degree from Cornell and an MBA from Duke.

Ruth Norris, an independent consultant, was a Senior Program Officer for the Skoll Foundation, managing the Skoll Awards for Social Entrepreneurship grant portfolio. Ms. Norris has worked with civil society organizations throughout the world, developing systems, strategies and skills for effective management and financial sustainability. As a consultant to international donors and intermediary organizations, she has designed, managed and evaluated grantmaking programs, capacity-building initiatives, and monitoring and evaluation systems. Ruth's background is in conservation and sustainable development.

David L. Parker, MD, MPH, is a medical epidemiologist and physician at the Park Nicollet Clinic in Minnesota. Mr. Parker conducts research on a wide range of topics related to worker health and safety, particularly relating to youth and adolescents. Drawing from his occupational health background, Parker has photographed child labor worldwide, including in a book entitled *Stolen Dreams*. His portfolio raises provocative questions such as: Under what circumstances and conditions should children work? What role should the nations of the world play in controlling child labor? What alternatives to work do children have and how are these alternatives decided from nation to nation?

Lizann Peyton, GoodWeave's Board Vice-chair, is an organization development consultant providing capacity building, strategic planning, and board development services to the non-profit sector. Ms. Peyton holds a Masters in Organization and Management from Antioch New England Graduate School, specializing in group dynamics, facilitation, and nonprofit board development. She has worked in the fields of public policy, human services, and nonprofit management for 25 years - as staff, director, or board member of local human service programs, statewide coalitions, national lobbying organizations, and on the staff of U.S. Senator Jacob K. Javits. Peyton is an adjunct faculty member at Antioch New England Graduate School's Dept. of Organization and Management, and provides grant review services for the NH Charitable Foundation's Corporate Fund.

Nina Smith, Executive Director of GoodWeave USA, is a fair trade advocate and social marketing expert. Nina launched GoodWeave USA in 1999. In 2005 she won the Skoll Award for Social Entrepreneurship in recognition of GoodWeave's market-driven approach to social change. Nina was formerly the Executive Director of The Crafts Center, a nonprofit organization providing marketing and technical assistance to indigenous artisans around the world. As President of the Fair Trade Federation (FTF), Nina launched FTF's consumer awareness campaign and devised the organization's first fair trade screening process. Nina's overseas experience includes a crafts development consultancy to the fair trade company The Tibet Collection in Dharamsala, India where she oversaw the development of new market-driven products, quality control mechanisms, and artisan training programs.

Horacio Trujillo is Director of Research at Humanity United. Immediately prior to joining Humanity United, Horacio conducted research to advise government policy on international security and economic issues at the RAND Corporation. Earlier, Horacio worked as an adviser on strategy and assessment to various international development efforts of the U.S. Agency for International Development, the World Bank, and the United Nations, and he worked as a policy adviser in the U.S. Senate and House of Representatives. Horacio is a graduate of Georgetown University's School of Foreign Service, and holds advanced degrees from Stanford (MBA) and Oxford (international development), and conducted his doctoral work in economic analysis and strategic studies at RAND. Horacio is an adjunct professor of diplomacy and world affairs at Occidental College.