



No relief for laid-off workers as auction of seized factory equipment delayed

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Phin Sophea, a representative for workers at the shuttered Dignity Knitter and ECO Base factories, explains how the sale of machinery seized from the factories fell through, in Kandal province on Tuesday. Panha Chhorpoan



An auction of machinery seized by the government from two shuttered factories to compensate workers has been delayed, with the lone interested buyer refusing to deposit 10 percent of the reserve price to secure the goods.





In a saga that has dragged on for more than a year, the Kandal Provincial Court was on Tuesday set to auction machinery confiscated from the Dignity Knitter and ECO Base factories, with the proceeds to compensate more than 1,000 staff owed salaries, bonuses and compensation.



While four potential buyers registered for bidding, only one showed up – but with the reserve price set at \$1,777,000, he withdrew interest, said Yim Kethy, bailiff at the court.

“He does not uphold the deposit, so he does not have the will to buy,” Kethy told CamboJA, adding that the court would notify the public in January of a rescheduled auction.

The two factories have been shuttered officially since June after three months of work suspensions that followed a reduction in hours and withheld wages from December 2019

Since June, workers have been guarding the factories around the clock – and have staved off multiple attempts by management to collect machinery from inside.

Unable to find other work, many have been plunged into unsustainable debt as they wait for monies owed, many of them to microfinance firms who hold land titles as collateral.

“Workers will be disappointed that there was no bidding ... about 80 percent of us are in debt,” said Prum Chamroeun, one of about ten who turned up to witness the auction.

“What’s important is that it affects our family finances,” she said, adding that she needed to come up with \$500 in loan repayments each month – more than double her monthly salary when the factory was in operation.

Dignity Knitter and ECO Base are among at least 110 factories that have shut down in 2020, as the COVID-19 pandemic brought the fashion industry to a standstill with the shuttering of shopfronts and production facilities around the world.

Phin Sophea, a representative for the Coalition of Cambodian Apparel Workers Democratic Union (CCAWDU) at Dignity Knitter, where he has worked for 14 years, called for authorities to speed up the case for the sake of workers who were falling into debt they might never escape.

“We have waited for a resolution for one year already,” he said. “I request the Kandal Provincial Court and relevant people to help speed up the resolution because we have been guarding the factory day and night for a long time now.”

Seang Yot, a legal officer with CCAWDU, said that authorities had failed in their efforts to raise sufficient interest in the auction, with procedures remaining unclear.

“Workers have lost hope in the court,” he said.

269 views



CCAWDU, Dignity Knitter Factory, ECO Base Factory



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