

# Nokia India workers protest to defend jobs

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Over 4,000 Nokia India workers staged a mass protest on March 31 in Chennai, the capital of the southern state of Tamil Nadu, against the threatened closing of Nokia's cell phone manufacturing plant in the Sriperumbudur Special Economic Zone (SEZ). The protest, organized by Nokia India Workers Union, which is affiliated with Stalinist CPI(M)'s trade union arm, the CITU (Center for Indian Trade Unions), also included a one-day hunger strike by hundreds of workers.

The shutdown threatens the jobs of the 8,000 plant workers, a large proportion of who work as contract workers without the slightest benefits or job security. The closing would further affect 25,000 workers who work at restaurants, transportation companies and part suppliers, which are dependent on the giant manufacturing facility.

Most of the workers employed at the plant are between the ages of 20 to 27 and about sixty percent are women. Overwhelmingly, they are first generation workers in their families having been forced to migrate to urban areas because of the desperate economic conditions in rural India. Even though Nokia pays them a pittance—with some earning as little as Rupees (Rs.) 8,000 (\$133) including overtime pay—the loss of the jobs would mean destitution for these young workers and their families back in villages who depend on their meager wages.

Nokia management is using the plant closing threat to blackmail the Indian national and Tamil Nadu state governments to abandon efforts to collect over \$700 million in back taxes from the Finnish transnational. The two governments have slapped a tax bill of Rs. 20 billion (\$333 million) and Rs. 24 billion (\$400 million) respectively on the company because officials say Nokia avoided taxes by claiming false exemptions, improperly reporting the number of cell phones produced for export and the domestic market and

otherwise failing to submit requisite tax documents over the past several years.

Last September, Indian tax authorities froze the assets of Nokia in India pending a payment settlement. Nokia mounted challenges in court but in March the Indian Supreme Court upheld a lower court ruling by blocking the transfer of the plant to the US software giant Microsoft Corporation. Nokia sold its worldwide cell phone manufacturing plants to Microsoft last September for \$7.2 billion. The Supreme Court ruled that the plant could only be transferred to Microsoft if Nokia deposits in escrow Rs. 35 billion (\$583 million) to cover its current and any future liability. Nokia is desperate to conclude the deal with Microsoft, with or without the plant, before the end of the month.

While denouncing the tax arrears as “absurd,” Nokia has threatened to walk away from India altogether without paying a penny while leaving the fate of workers deliberately uncertain. Some Indian newspapers reported that Nokia management welcomed the protest as a way to ramp up pressure upon the Indian and Tamil Nadu governments.

In its effort to dodge the tax payments, Nokia India management has recruited the services of the CITU union federation. According to the company the CITU lent its support during its legal battle in the Indian courts, saying in a statement, “We have worked closely with Indian employee groups ever since our assets were frozen by the country's tax department in September—the main union even joined Nokia in its legal proceedings against the tax authorities—and we will continue to conduct an open dialogue as we navigate through this challenging time.”

The CITU did not refute the company's statement confirming its role as a management's pliant tool.

Hostile to any mobilization of the working class against the brutal exploitation of the transnational corporations in the industrial zone, the CITU has

appealed to caste-based regional political parties, the courts and other anti-working class forces. This includes the notorious All India Anna Dravida Munnetra Kazhagam (AIADMK) state chief minister, J. Jayalalitha, who displayed her vicious hatred of the working class by resorting to mass jailings and firings to suppress a strike by the state government employees in 2003.

The CITU appeal to Jayalalitha dovetails the strategy of its parent organization, the CPI (M), which has assiduously courted this enemy of the working class in an attempt to cobble together a so-called third political front in the just commenced general elections.

Comprising of the most reactionary caste or ethnic-based political parties who have nothing but their rank opportunism in common, the Stalinist CPI(M) fraudulently promotes this political alliance as a “progressive” alternative to the two major political alliances centered around the Congress Party, the traditional political representative of big businesses, and the Hindu-communist BJP (Bharatiya Janata Party).

The effort by the CITU to disorient the struggling workers was on display in the comments by union leader and a state legislator A. Soundararaj made to *The Times of India*. He first complained, “They (the management) are moving work to factories in Vietnam and China” and then promised, “We will ask the government to stop this transfer of work.”

He continued to sow further confusion among the workers by promoting nationalism and encouraging workers to place their faith in country’s rarely enforced labor laws. “We will file a complaint with the labor department in the next 2-3 days. According to the Industrial Dispute Act, management must get permission from the government before retrenchment or closure. We will urge the state government not to grant such permission,” Soundararaj stated lamely.

Such defeatist tactics are of one piece with the long-history of betrayals of workers struggles by the CITU. On the one hand the union collaborates with the Nokia management to reduce the corporation’s tax bills and then scampers to the central and state governments to “save jobs” when the very management it collaborated with threatens to close the plant.

According to reports Nokia has also moved some of the production machinery overseas in defiance of the

Indian Supreme Court order banning any such transfers.

Nokia, which at one time dominated the cell phone market and was even lauded as a “European superstar” by European politicians, has adopted a scorched earth policy to escape the desperate crisis facing the 150 year old company.

The last several years have witnessed a wave of job destruction in Nokia’s plants in Romania, Hungary, Finland, Germany and Canada. Following this, the company relocated much of its mobile phone production to Asia’s cheap labor platforms such as India, China and Vietnam. (See Nokia dismisses 10,000 employees)

Governments in countries such as India have heaped lavish tax benefits, gifted cheap land and provided various other sweeteners, including, of course, an abundant supply of cheap labor to attract foreign investment. The example of Nokia strikingly demonstrates the irrationality of capitalism, where corporations can just as easily exit one cheap labor haven to another leaving behind vast social devastation. This struggle reveals the burning necessity of Indian workers to break free from the nationally based trade unions and the capitalist parties they serve and develop a strategy to unite the international working class against the global telecommunication industry based on a socialist program.



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