

SUMMARY

Social Order in the Factory Community of Nokia, 1870–1939

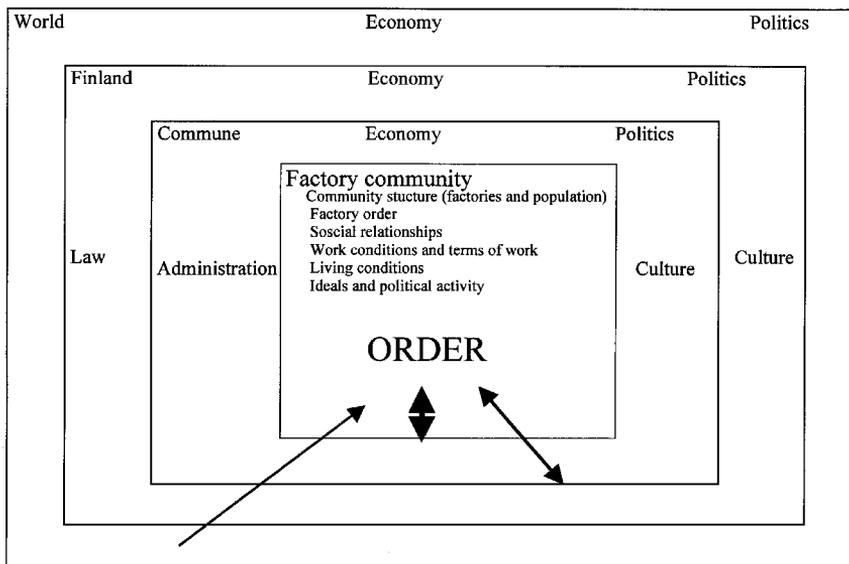
This research analyses the social order, the long-term changes of that order, and the causes and consequences of these changes on the factory community of Nokia in Southern Finland, near the industrial city of Tampere. The analysis of the social order reveals the social relationships, the operational dynamics and their preconditions in that factory community. In this research, local social order refers to the system and network of social relationships that guided and ruled the functioning of the community. Order describes the unwritten way in which the society functioned.

The analysis of social order through one case study provides an opportunity to deepen the research. Through comparison it becomes possible to set the phenomena at Nokia in their correct proportions and at the same time to analyse the potential special characteristics of Nokia and those typical of other factory communities. Nokia is a particularly suitable subject of analysis because of its location and the changes that its internal structure underwent.

The analysis of the factory community's internal structure also provides good opportunities for international comparison, as, all around the industrialised world, countryside based factories have developed very similar social structures. The legislation, traditions, culture, and the given field of industry in particular, caused differences in development patterns and schedules in different countries.

This research expressly analyses the whole factory society, not only factory communities. Such a broad scope allows a study of the interaction of the factory communities and the factories governing the locality with other local population groups, as well as making possible a test of the significance and power of those factories within local society. Due to the dominant nature of the factories, the research focuses on the questions related to factories and the working communities.

Figure 1. Factory community's fields of influence and local order



The method of the research is comparative and of total historical nature. The research problem is approached through the different segments of society – economy, population, living conditions, modes of thought, and policy. How did these factors and their relationships to each other affect the local order? In this research approach society is seen as an entity where all elements are in reciprocal relationships with each other and dependent on the various sectors of society. This comprehensive historical research method has also been called the social historical reciprocal model.

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Rural mill towns in Finland from the 1870s to the end of the 1930s were special localities governed by mill companies. With their one or two governing factories, their remote locations, and their bifurcated populations, they formed centres of habitation different from their surroundings in terms of population, economy, and politics. In these communities a strong, mutual interdependence developed between the factory leadership, which governed the society and the factory workers. This interdependent relationship between the company and workers largely determined social order at any given time. This order was shaped by the community's internal factors, but a major part of the direction and framework of the development came from outside the community. The specific nature of a particular factory community order was the result of the ways the locality responded to these outside economical, political, cultural, and legislative influences.

The national development of Finland provided significant fringe conditions in the development of Nokia's factory community order. Until 1917, Finland was a Grand Duchy of Russia. In the situation created by the revolutions in Russia, Finland gained independence in December 1917. This gaining of independence was followed by a bitter Civil War in the winter of 1918, which in turn concretely affected Nokia as it had been in the hands of the losing Red side during the war. The Civil War divided the nation in two, and factory communities where the majority of the population consisted of workers felt the division keenly. The pace of Finland's industrialisation quickened after the war, but by the late 1930s the country nevertheless remained strongly agrarian. In the 1930s the country suffered deeply from the global depression, and right-wing political trends strengthened at the same time. Both of these phenomena were clearly discernible in Nokia. In November 1939, the Soviet Union attacked Finland and the country drifted into the Second World War. The war period of 1939–1945 spelled a strong social transition in Finland.

The Nokia community began as a pulpwood mill founded by Knut Fredrik Idestam by the Emäkoski rapids in 1869. The mill soon grew into a paper mill company called Nokia Ltd, which was the forerunner of the current global telecommunications giant Nokia. At the end of the 1860s, manufacturing paper from pulp was a novelty even on the global scale. In Finland, Nokia's pulpwood mill was the first mill to gather a permanent settlement around it. Several other paper industry centres were also established along Finnish rivers in the 1870s and 1880s. Rapids providing the energy, forest resources, and transport infrastructure largely dictated their locations. In the 1870s Finland was still almost totally agrarian, but paper mill communities significantly spread the industrial lifestyle into Finland's backwoods. The city of Tampere, in the immediate vicinity of Nokia, was an important industrial centre, boasting several factories by the latter half of the nineteenth century.

The biggest internal change factor in Nokia's development since the beginning of industrialisation was the arrival of another major factory, when in 1904 Suomen Gummitehdas Ltd arrived from Helsinki. In the 1920s and 1930s this rubber plant grew into a major enterprise employing almost two thousand workers and ruling Finland's rubber industry. Because of the new factory, the population of Nokia more than doubled during this time. At the start of the region's industrialisation there had only been 700 inhabitants, but by 1930 this had increased to 8116. In the 1930s almost two thirds of Nokia population gained its livelihood directly from either the Nokia Ltd factories or the rubber plant – a fact that underscores the importance of these companies for the community.

The period covered in this research forms a distinct whole in the development of Finnish factory communities' social order – a time that could be called, with only slight simplification, the era of company rule. The temporal frame of the research is a natural one: beginning at the start of Nokia industry and ending with the year 1939. The war years of 1939–1945 created such an enormous social change that they provide a natural ending to the research.

In early factory communities the dominant system was often the so-called factory paternalistic order, which was based on social hierarchy and the reciprocal interests of employers and employees. To make palatable the rule of the factory the employees were offered work-related social benefits and services. In Finland the rural paper mill communities were model examples of this kind of international factory community order. The remote location of the paper mills, the chain-like production process, and the affluence of the paper companies favoured such order and created the preconditions for it. In Finland the purest era of factory paternalism lasted until the early years of the twentieth century, after which the rise of the working-class movement and the general birth of the civil society created pressures to change this order based on subordination in terms of social relationships. This dynamic process governed the development of social order also at Nokia.

The core of the factory community's social order, the mutual relationship between the employers and the employees, changed clearly during the research time period, and eventually there was a move from factory paternalism to distinct, paternalism-flavoured, power policy relations. At the same time the perpetual questions of power surfaced in an exaggerated manner. Certain basic contradictions governed the community. These contradictions shaped the social order and were in turn shaped by the structure of the community as well as the general development of the society surrounding the community. Factory paternalism first clashed with the civil society, bringing company authority and democracy into opposition. As political and organisational life got more active in the first decades of the twentieth century, these questions finally culminated on the local level in a political struggle between the right and the left wing. The right wing forces led by the factories struggled to maintain power against the left wing forces of the working population. It was inevitable that the traditional company rule and the awakening citizen power would clash in an independent Finland that demanded democracy and citizen rights.

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Between 1870–1939 the social order of Nokia factory community can be roughly divided into four different stages. The first of them was one mill's factory paternalistic stage of 1870–1905, when the community still strongly lived its own life with little external influences. Labour began to organise, but its activities were still under the company's control. The mill town was seemingly unanimous in its support of the company hegemony. The mill's sphere of influence gradually expanded so that the mill workers became the largest proportion of population by the turn of the century. This golden age of factory paternalism was put to an end by the Great Strike of 1905, when the local labour movement detached itself from the control of the factory companies to pursue an independent, socialistic policy of its own.

Figure 2. The stages of Nokia factory community social order 1870–1939

Stage	Economy	Population	Society
Factory paternalism 1870–1905	<ul style="list-style-type: none"> *One-mill community *Pioneer of wood processing industry *Foreign demand *Technical expertise from abroad 	<ul style="list-style-type: none"> *Rapid natural population growth *In-migration, but natural population growth larger *Emigration from nearby communes *Labour force from the vicinity *Industrial workers become the largest population group 	<ul style="list-style-type: none"> *Hierarchical factory order of society based on estate *Mill workers welfare system as the support of society *Social and economic inequality *Social peace
Breakthrough of civil society 1905–1918	<ul style="list-style-type: none"> *Trade becomes more versatile *Rubber plant another important factory *Services increase *Rise of living costs 	<ul style="list-style-type: none"> *Population growth continues *General workers into a specific group of their own 	<ul style="list-style-type: none"> *Faith in paternalism crumbles- transition of the Great Strike *Breakthrough of organisation – birth of trade union movement *Workers’ salary differences diminish – women’s position also improves *Social peace on trial – internal development and the impact of national crises *Housing policy a part of mill order
Rise of politics 1919–1928	<ul style="list-style-type: none"> *Strong growth *Importance of domestic market grows *Industrial basis expansion continues *Rise of living standards *Factory community expands at the cost of agriculture 	<ul style="list-style-type: none"> *Strong population growth through in-migration *Long-distance in-migration increases *Majority of the population female *Young age structure 	<ul style="list-style-type: none"> *Openly political *Divided society *Dual power – labour movement into municipal power – factories’ economic power *Local clash at rubber plant strike *Independent female workers *Number of low salary workers (women) increased
Total authority 1929–1939	<ul style="list-style-type: none"> *Depression and the following strong growth *Service centre and market town status *Role of industrial centre strengthens 	<ul style="list-style-type: none"> *Fast population growth continues after the depression *Long-distance in-migration increases *Birth-rates drop *Middle class grow stronger 	<ul style="list-style-type: none"> *Factory companies’ social hegemony *Labour organisations in depression – municipal power to the conservatives *Social peace “by force” *Labour attitude education and political control *Ideal of ‘White Finland’

The breakthrough of the civil society 1905-1918 was the second stage when the labour movement, which had become independent through the impact of the Great Strike, exerted significant counterforce against the company leadership. The 'consensus' on the factory paternalism came to an end. Although the power of the labour movement dwindled in the loss of the national dispute concerning working hours in 1907-1909, the organisational network of the workers was preserved and even expanded. The essential component at this stage was the breakthrough of the workers' independent organisation. Society also became more versatile. The rubber plant came to the community, and general workers outside the factories became a new, unpredictable agent for change in the community. In spite of these changes it has to be noted that in Nokia both the employers and the employees showed moderation and flexibility, perhaps partly because the weakness of the workers' organisation occasionally limited their power. Apart from the national crises – the Great Strike of 1905 and the general strike of 1917 – there was not a single strike at Nokia's major factories before the rubber plant strike in 1928–1929.

During this stage, the employers adopted a workers' welfare system, which consisted of a sick fund, schooling, a housing system, freetime activities etc., as an important means to control the factory community and to check the rise of the workers. For example in the guise of more efficient housing policy, the system took on more and more goal-oriented objectives that 'tied' the workers to the company. Originally the goal of the welfare system was to make the workers stay at the factory, but now it more and more served to guarantee peaceful work conditions.

The Civil War of 1918 divided the Nokia society in two, as it did in most other localities as well. In Nokia the borderline ran largely between the workers and the rest of the population. Since in this locality the majority of the population were workers, and the large majority had belonged to the Red side that lost the war, the war and its aftermath were experienced bitterly. The war had been fought over national questions, however, and in spite of its important impact on the people of Nokia it never directly altered the core of the community, the relationship between the employers and the employees.

After the war the rubber plant grew rapidly, employing a thousand workers in the 1920s. The quick growth of the community alone destabilised the old system. The operation of the plant based on mass production differed radically from the chain-like production process formed from different occupational groups at Nokia Ltd. The rubber plant's rapidly growing and young work force dominated by women broke the harmony of Nokia's one-factory community for good in the 1920s. It also broke the male-dominated gender system that was closely linked to the paper mill's factory paternalism.

After the war the 1920s and 1930s in Nokia were an openly political era, and the key question which surfaced concerned power in the locality. This stage can be further divided into that of the rise of politics between 1918–1928 and the total company authority stage after it. The new municipal laws enforcing general and universal suffrage in municipal elections came into effect after the Civil War, and as a result the working population gained municipal power in

Nokia as early as 1921. However, the economic resources belonged to the two major companies, as did the sovereign command of the locality's labour market. Therefore dual powers reigned in Nokia in the 1920s: the workers controlled municipal administration, but the factory companies realised their own projects, such as town planning and roadwork, with the help of their economic power. At the same time the companies invested in their welfare system as the guarantor of industrial peace. The welfare system became a personnel administration aiming at industrial peace and permanence of the labour force, but it nevertheless retained some paternalistic features, especially at the paper mill.

The tension between these two sources of power in the Nokia community culminated in the rubber plant strike of 1928-1929. This collective agreement struggle lasted almost a year and also became the struggle for power in Nokia. For the first time, the struggle openly involved the relationship between the employer and the employees. The total defeat of the workers divided Nokia's labour movement in two and plunged it into a deep depression. The beginning General Depression and Finland's increasingly predominant right-wing tendencies served to further depress the labour movement.

For Nokia factory managers, especially at the rubber plant, the strike – combined with the memory of the Civil War and the demands of the trade union movement – signalled the necessity of and also provided the opportunity for new control measures. In order to secure the operational surroundings and the permanence of the operation, the factories had to take control of the entire community and create the best possible preconditions for successful operation. At the same time, the companies had to educate the workers into a loyal labour force through political control and attitude training. In Nokia in the 1930s municipal power was transferred to the right wing, led by the factory companies, in contradiction to the normal support for the right and the left which was evident from voting patterns in the parliamentary elections. In Nokia these measures of political control and restriction were stronger than in many other factory communities. The community order was based on the companies' political control and on the economic and social politics the companies pursued. The welfare system, the emphasis of which shifted from social security to education, was used both as social control mechanism and as reward. A model society of the so called 'White Finland' was being constructed in Nokia.

The development of Nokia's social order was tied not only to factors regulating the development of factory communities in general, but also to special Finnish features and local internal phenomena related to Nokia community itself. The Nokia community was for a long time quite similar to other Finnish paper mill communities. These communities were mainly guided by common fringe conditions, and the paper companies' similar modes of operation and points of departure made the communities resemble each other. On the other hand, the entrance of another major factory to the locality and the late date of the community's internal struggle made Nokia's development special. The power struggle touching the core of the community was waged exceptionally late in the last years of the 1920s. This timing in Nokia gave to the

1930s right wing movement and factory power an exceptional strength while it on the other hand created the foundation for the radicalisation of Nokia's political field. At the same time, the rubber plant broke the paternalistic domination of the paper mill community and, in doing so, crumbled some of the community's homogeneous structure.

In a wider sense, the analysis of Nokia's long-term industrialisation aptly describes the industrialisation of the whole of agrarian Finland and the major social changes and awakenings that process caused. An analysis like this also details civil society's penetration into the Finnish countryside, a breakthrough that changed the structures and social relationships of the Finnish society in the first decades of the twentieth century. In factory communities these changes were strongly visible, because in them the society's pressures for change culminated concretely in a limited area and on certain groups of people who gained their livelihood from the factories governing the localities. The industrial way of life and social ideas spread from these factory and working class centres to the sparsely populated Finnish countryside.

The research analysing Nokia factory community's social order is a part of an extensive international research tradition, and offers a Finnish example of the organisation of a factory community. Within that international comparative research tradition the history of Nokia evidences not only the special features of Finnish social development, but also the significance of Nokia's fields of industry and the impact of the community's radical internal structural change on the evolution of the community.

Opposing ideas about the nature of social order – about how communities should function – gave birth to opposing forces that through time moulded society. The social order of factory communities was characterised by a shifting balance between the factory companies' imposed social order and the social equality demanded by the working population. In a factory-governed community the workers sought for opportunities to influence matters first through organisation and later through open political activities. In Nokia these attempts finally came to an open conflict during the rubber plant strike. The company managers who leaned on company authority constantly regarded the workers' independent equality demands as a threat to the successful leadership of the factory, to industrial peace objectives, and thereby to the success of the factories. The totality of these irreconcilable goals, coupled with external influences, created the local social order in Nokia. The 'unanimous' support for company rule of the late nineteenth century flavoured by factory paternalism finally broke down in the tumult of the rise of the civil society in the 1930s. This breakdown triggered in the years prior to the Second World War the last effort of company hegemony, the total supremacy of factory communities by factory companies.

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