

COMMENT

POST RESISTANTE

As the Postal Services Act 2011 passed through the House of Commons, the Government amended it to guarantee that the Queen's head would remain on British postage stamps even if the Royal Mail were to be taken into foreign ownership.

What a neat example of the cognitive dissonance that troubles the so-called Conservative Party — the discomfort felt by trying to hold two conflicting opinions simultaneously. The Tories want to uphold values dear to their electoral base: tradition, monarchy, national independence, and local community. Yet at the same time, they are committed to a fast-track programme of neo-liberalism and globalisation that is undermining these very values.

The 2011 Act, which made its way onto the statute books without much publicity, therefore pays tribute to both God and Caesar. Its main measure is to allow Royal Mail to be hived off from the Post Office and privatised, while the Post Office remains under government control or else becomes a mutual. The business of moving letters and parcels around the country will be divided up between competing transnational courier companies, whilst the local depots through which the mail service has traditionally been delivered will be retained because they are an important community asset, not least to the elderly population who comprise a large segment of the Tory vote.

The customary sleights of hand have been employed to tenderise Royal Mail prior to its being served up. Proponents of privatisation make much of the fact that, owing to email, the number of letters delivered by Royal Mail every year has been in decline since its peak in 2005. They don't mention that even though much of the business has been poached by private competitors over the last seven years, it is still 50 percent higher than in the early 1960s, when the Post Office paid its way.

In 2012, on the grounds that it had made a loss of £1 billion over four years, Royal Mail jacked up the price of a first class stamp by an outrageous 14 pence. But some easy arithmetic reveals that a rise of less than 2 pence on each of the 16 billion letters delivered per year would have been enough to cover the annual loss. With Royal Mail scheduled for sale by April 2014 it has now gone into profit, surprise surprise, even though the hike in prices has persuaded many more businesses to send their mail through private companies.

This year, prices for delivering letters are remaining stable, but the cost of sending parcels has risen dramatically. Moreover, Royal Mail's postal service is refusing to take anything other than "small" and "medium" parcels — anything over two feet long now has to go by its courier service Parcel Force. Currently Parcel Force parcels can still be sent through the post office, but (as *The Land* office can vouch) Parcel Force puts pressure on small businesses to bypass the local post office and have parcels picked up directly by their vans.

The intention is clearly to divert as much lucrative traffic as possible from the Post Office to Parcel Force, since this will be more attractive to courier companies seeking a slice of the pie. Sub-postmaster Steve, interviewed about the new charges, commented:



Gill Barron

"In the last few years Ebay and online purchasing have been the saviour of Royal Mail and the Post Office. But this year's price rises have targeted precisely the packages that are most commonly used for these purchases. Custom from small mailout businesses that has readily gone to post office counters is rapidly being lost to courier firms."

What is being undermined here is the universal service. If you are an individual or a small business sending a single parcel then Parcel Force will do it more cheaply than TNT, for example. But if you are a sizeable business and get an account with TNT, then they will do it more cheaply than Parcel Force. This is because at the moment firms like TNT can cherry-pick — ie focus on lucrative business accounts and avoid deliveries to difficult places like the Orkneys — whereas Parcel Force, as long as they continue to operate through the Post Office, have an obligation to serve everybody, anywhere, daily.

The service provided by couriers is good for business because it means cheaper deliveries. It is not so good for the customer, because these firms do not have the local knowledge that a postman has, in terms of identifying addresses or, for example, knowing that a parcel can be left in the garden shed. When a postal delivery fails, the parcel is lodged at the nearby local post office, whereas if it fails with a courier it can end up at a depot many miles away. It is also an environmental inanity, with a multitude of white vans driving willy nilly round the countryside, when everything up to a certain size could be delivered by a single red van whose driver knows the neighbourhood, and all its addresses, like the back of his hand.

Nonetheless, the universal service has to be maintained, and the commitment to a six-day-a-week universal service is embedded in the 2011 Act. Since it would be inefficient to have two competing companies performing this service, it is likely that one company will be contracted to take this on. Effectively this would mean transferring the postal service from a government monopoly (Royal Mail) to a private monopoly. While government monopolies may not be ideal, they are at least democratically accountable, whereas private companies are, notoriously, accountable only to their shareholders. The ominous precedent for this is the privatisation of British Telecom, another profitable arm hived off from the Post Office, which has bequeathed us a national telephone organisation which it is now absolutely impossible to contact on the telephone.

The company being groomed for this role is TNT. Paul Mills describes his experience working for TNT delivering mail to the doorstep through a pilot scheme in Chiswick:

"I was one of a growing number of workers on what is known as a 'zero-hour contract', in which workers are not guaranteed any hours of work. I was forced to hustle for my next day's work on an almost daily basis. Sometimes I took a gamble to come in as a 'relief worker', arriving at the depot at 7.30am in the hope that someone would have dropped out so I could cover their rounds."¹

The number of employers hiring on zero-hour contracts, Mills reports, has risen from 11 percent in 2004 to 23 percent in 2011. Unions blame privatisation of services for this rise.

Mills's experience can be compared with that described by Royal Mail postman, Roy Mayall:

"Modernisation for the Royal Mail means spending millions of pounds on a large number of high-tech 'walk-sequencing machines' [that sort out the order in which letters have to be delivered] which actually slow down the process of delivery. They do, however, remove any vestige of skill from the job; so while they are considerably less efficient at getting the mail out on time, they nevertheless have the distinct advantage that they undermine the workforce, allowing the company to hire more and more casual workers."²

Meanwhile the Post Office, to survive, will have to find new sources of income. The government has pledged £350 million of new business, but so far not much of this has materialised. The Post Office did manage to renew its contract with the motor licensing authority, DVLA, but only after seeing the price driven down by aggressive bidding from Pay Point, a firm offering financial services, who our subpostmaster Steve suspects were encouraged to bid by forces within government.

But the coalition's favoured strategy is a programme called Network Transformation which involves siting both "Main" and "Local" post offices inside other retail outlets. These Locals will not be separate "fortresses" as they are in some village shops, but part of the everyday counter service, and capable of being staffed by unskilled people. As a result there are a large number of services currently available in most post offices that they will not provide, including:

"Parcel Force Express Services; parcels over 20 kg; international parcels; manual cash deposits and withdrawals; change-giving service to small businesses; post office financial services and insurance products; manual bill payment services; passport, car tax and DVLA services; on demand foreign currency and payments by cheque."

Shorn of all these services, "Local" post offices will be attractive to retailers, not because of the revenue they will bring in, but because of the increased footfall. In her evidence to the House of Commons Business, Innovation and Skills Committee, Paula Vennells, Chief Executive of Post Office Ltd, stated that one retailer (later revealed to be Tesco's One Stop) had requested a post office in each of its 600 outlets. She added that multinationals were interested in hosting Locals because "people who see these economics and who are really good retailers have made this work".

In other words from being a public service, local post offices will be relegated to the role of loss leader. We asked Steve what role the post office played in the life of the community:



"It's imperative. Its importance as a social service is incalculable. Well, I say that, but if you got rid of this post office, the estate agent next door would have to knock £30,000 off the price of every house in the village."

In Steve's view, the primary function of the sub-postmaster is to act as an interface with the outside world, with government, bureaucracies and financial institutions:

"People value the knowledge that someone is there who is unbiased and willing and able to help. There is still a historic feeling that the man behind the counter has a magic wand that can sort out problems."

The Royal Mail postman is, or rather was, an integral part of this service — its outreach, its eyes and ears. Much of Roy Mayall's blog focusses around the archetypal figure of "Granny Smith" and the role the postman plays in keeping people in touch and binding the community together. Mayall tumbled on the name when, at a staff meeting, a postman asked the management what the modernisation of the Post Office meant for "Granny Smith", the little old lady who lives alone and for whom the mail service is a lifeline. "Granny Smith isn't important", was the reply: "she doesn't matter any more."

But the Post Office is more than a social service; it also serves an ontological purpose. Because it is a physical place, staffed by real people, and serving to link individuals with the outside world, it defends the local and the material against what would otherwise be an overwhelming onslaught of the global and the digital. Every post office (like every land line dialling code) represents a real place. One Stop shops, as their name implies, are the expression of a rootless society.

A government that is committed to "localism" ought to recognise and uphold these values rather than turning post office services into just another high street commodity. But people like Paula Vennells, who (in her own words) "see economics", are blind to anything else. They know the price of everything and the value of nothing. These are the people who call the shots in all three main political parties, and they are about to trash one of our most valued public institutions.

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Perhaps most alarming is the low level of resistance to privatisation. To get involved, contact Save Our Royal Mail, Centrepont, 103 New Oxford Street, London WC1A 1DD or visit <http://saveourroyalmail.org/>

1. www.guardian.co.uk/commentisfree/2013/apr/29/postal-privatisation-zero-hour-workers

2. www.guardian.co.uk/commentisfree/2011/jul/21/modernisation-royal-mail