

# POSTAL NEWS

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## 1. UK postal service in crisis?

26/05/2008

Comment from the Guardian newspaper in the United Kingdom that eight years after New Labour began exposing the postal network to private competition and two years after Royal Mail's 350-year-old monopoly was finally abandoned, the postal service is in crisis and the universal service which guarantees delivery of mail anywhere in the country at a single price is in peril.

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## 2. Corporate cherry-picking isn't delivering the goods

Whether in the postal service or energy supply, New Labour's embrace of market dogma has failed its own 'what works' test

Seumas Milne

The Guardian, Thursday May 22 2008

Article history

As New Labour heads for humiliation in the Crewe byelection today, those who want to find a way out of the wreckage need to face up to the lessons of its ideological bankruptcy fast. For more than a decade, Tony Blair and, puffing slightly to keep up, Gordon Brown have always insisted that the only test for their policies is "what works". That has been the theme tune of their ever more enthusiastic embrace of public service privatisation and commercialisation. Not for them the pickled nostrums of the past: if the corporate world could deliver the goods, it had to be given the freest of reins.

The farce of their claims couldn't have been more clearly demonstrated than in the liberalisation and creeping privatisation of Britain's postal service. Far from

"working" or delivering the goods, the corporate-skewed opening up of the market is progressively destroying a publicly owned network at the heart of Britain's social and business life. When New Labour came to power, the Post Office was an effective public monopoly handing over more than £100m profit a year to the public purse. Public and political support saw off successive attempts by the Tories and, more tentatively, Tony Blair to privatise what had become Royal Mail.

But eight years after New Labour began exposing the network to private competition and two years after Royal Mail's 350-year-old monopoly was finally abandoned, the postal service is in crisis and the universal service which guarantees delivery of mail anywhere in the country at a single price is in peril. A devastating independent review for the government this month found that liberalisation had only benefited big business, brought "no significant benefits" to consumers or small businesses, and created a "substantial threat" both to the future of Royal Mail and the universal service.

Of course, few people needed to be told that the service was deteriorating, when the last five years have seen an end to Sunday collections and fewer and later daily deliveries. But the response of the postal regulator Postcomm, whose ideological passion for markets and unchained competition has been central to this sorry saga, was to demand an intensification of the private treatment: far from stepping back, it last week insisted that part-privatisation of Royal Mail was the only way to prevent a further decline in the service, including an end to Saturday deliveries.

Naturally, Royal Mail's executives like the idea, from which they would stand to benefit richly. But it's hard to see how it would help protect the unprofitable parts of the universal service or the threatened network of post offices on which it depends. What has really tipped Royal Mail over the edge are Postcomm's rigged rules for access to Royal Mail deliveries, which have levered corporate operators into the most profitable parts of the business - they now handle 40% of the profitable bulk mail which previously underwrote remote deliveries - and turned an operating profit of £233m in 2006-7 into a £279m loss this year.

Of course, the growth of the internet and years of under-investment in mechanisation have also had an impact - though online transactions also generate mail. But it is this deliberately engineered leaching off the public sector which has been the decisive factor in delivering a worse service to most users and lower pay and conditions to those employed by the corporate cherry-pickers. Meanwhile the government's continued drive to close thousands of unprofitable post offices, shutting off social lifelines for some of the country's most vulnerable people, has directly fuelled the public rejection of New Labour which now appears to have passed the point of no return.

When one Labour rebel recently challenged Brown about the impact of postal liberalisation, the prime minister blamed the European Union. It's true that EU directives require the opening up of postal and other public services to competition - and those neoliberal catechisms are now locked into the Lisbon treaty, due to face its first popular test in the Irish referendum next month. But Britain, ever more royal than the king, has gone much further, much faster than required to do by Brussels, and has failed to use the protective measures available to keep its "dominant provider" afloat.

Not that there's much hope of either of the other two main parties taking a more sensible approach. David Cameron's Tories may have opposed post office closures, but they have carefully avoided committing themselves even to the current level of government financial support and can be safely relied on to head off further down the privatisation and liberalisation path, while the Liberal Democrats now want to part-privatise Royal Mail to raise cash.

What's needed instead is the debunking of the privatising dogma that has created this crisis, a halt to preferential pricing for private predators, a universal service charge for market entrants, and a broadening of Postcomm's remit. At the same time there is a huge untapped potential to turn local post offices into far more viable hubs by, for example, making them centres of access to public services and reintroducing public banking facilities.

But then the gutting of the postal service isn't the only part of the government's corporate-driven market agenda that isn't working. As Allan Asher, chief executive of Energywatch, told parliament this week, competition in the privatised energy market is a myth, and British gas and electricity consumers are being fleeced by the "tacit collusion" of a "comfortable oligopoly".

There is clearly going to have to be a more far-reaching change of course. Tuesday's compromise agreement between the government, CBI and TUC to give exploited contract and agency workers the same basic rights as permanent staff after 12 weeks is certainly a significant move in the right direction and was greeted with squeals of rage by business lobbyists. But there was also disappointment among Labour MPs and trade unionists: once again, Britain has signed up to less worker protection than most EU states wanted and is now likely to be able to continue opting out of long hours regulation as a result of the deal. It may be too late to avoid defeat, but if Labour is to reverse its haemorrhage of support and lay the ground for a better future, it will have to take more than these faltering steps.

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Thomson Financial News

### **3. TNT seeks large cuts to workplace benefits after agreeing wage deal**

#### **UPDATE**

05.26.08, 7:06 AM ET

AMSTERDAM (Thomson Financial) - TNT NV said on Monday it will now target significantly lower workplace benefits for Dutch domestic postal workers after reaching a wage deal with unions over the weekend to avert a nationwide strike later this week.

TNT said the weekend deal includes a structural 3 percent wage rise for all TNT workers retroactive to April 1, 2008, plus a 0.5 percent rise in the form of a monthly payment until April 1, 2009.

Trade union Abvakabo FNV added that TNT also agreed not to reduce workplace benefits prior to April 2009.

The Dutch postal group added, however, the monthly payment will continue after April 1, 2009 primarily based on the condition that an agreement is reached to substantially lower workplace benefits at TNT's operations unit.

TNT spokesman Toby Ellson said this would affect postal deliverers and staff at TNT's postal sorting rooms.

TNT had previously targeted a 25 percent reduction in workplace benefits, but Ellson declined to comment on what TNT's new target is.

'Talks with unions will start as soon as possible,' Ellson said.

Trade unions Abvakabo, CNV Publieke Zaak, BVPP and VPP will now present the the wage deal, agreed with TNT during late night talks on Friday, to their members with the advice to accept.

The deal comes after a series of rolling work stoppages across the Netherlands in recent weeks, the first at TNT since 1983.

But union Abvakabo said the planned nationwide strike on Wednesday has now been called off as it welcomed the fact that current workplace benefits will be maintained until April 2009.

It added that there is now a basis for open negotiations around workplace benefits after that date.

TNT is seeking to reduce workplace benefits to limit planned job cuts to between 6,500 and 7,000 instead of a maximum of 11,000 as it targets annual cost savings of 395 million euros in the 2007 to 2015 period in order to compete in a liberalised postal market.

Company spokesman Ellson declined to comment on the impact on TNT's planned job cuts from the weekend's workplace agreement.

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#### **4. TNT reaches agreement with postal unions**

Monday 26 May 2008

Postal company TNT announced on Saturday that it has reached an agreement in principle with postal workers unions on the disputed pay claim.

The company has offered 3.5% with 0.5% conditional on an agreement on new productivity and working conditions being reached by April 1 2009.

According to the BVPP union, TNT has withdrawn its demand for a 25% saving on working conditions which opens the way for realistic negotiations on the new productivity agreement.

The national strike planned for May 28 has been postponed while union leaders talk to their members.

The unions were demanded a 3.5% wage increase, with TNT offering 1.5% or 3% with fewer perks.

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May 25, 2008

### **5. Iran establishes free postal library to promote book reading**

Tehran Times Culture Desk

TEHRAN -- A Tehran-based institute working on Quranic studies has recently set up a section sending books via post to the readers free of charge.

The readers can select from over 5000 books available on the institute's website [www.tafsirejavan.com](http://www.tafsirejavan.com). The application should be sent through fax.

It is part of the Javan Quran Interpretation Institute's program aiming to promote reading among children and the youth, institute director Mohammad Bisotuni told the Mehr News Agency on Saturday.

He described the bureaucratic regulations on using public libraries as one of the main reasons for the people's disregard toward book and said, "This program also aims to ease the restrictions."

According to Bisotuni, the program has been tested for a year and not even one book was lost during the period.

The nongovernmental institute had previously launched a project for donating books to poor people.

The people can show an identification card to receive the first book from the institute's library. Next books will be sent to their addresses if they can properly answer three questions about the previously received book on the phone.

Javan Quran Interpretation Institute, which comprises eight centers working on Quranic studies, is located in the Pasdaran district in northern Tehran, where wealthy classes of people live.

Iran National Library and Archives Director Ali-Akbar Ash'ari lamented the lack of proper reading spaces and shortage of the latest publications in Iran's libraries last week.

He announced that Iran's per capita book reading is two minutes in every 24 hours.

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