

Britain: The Royal Mail's 300-year monopoly ends

Keith Lee
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The Royal Mail has signed an historic deal with UK Mail that brings to an end 300 years of postal monopoly in Britain. UK Mail, a unit of Business Post, has become the first commercial operator to break the monopoly by paying the Royal Mail to deliver bulk mail.

The deal, which is the first of its kind in Europe, starts in April 2004 and is expected to make Business Post £150 million in annual sales. The Royal Mail will charge 13 pence per letter delivered. UK Mail will collect pre-sorted mail from its business customers and transport it to one of the 73 mail centres around Britain. It will then hand it over to the Royal Mail, which will give it a final sort and deliver the mail.

The Royal Mail is currently in negotiations with other firms such as TPG and Deutsche Post to deliver their mail. The Royal Mail's chief executive Adam Crozier said, "I am confident we have a deal that will work for UK Mail and its customers and for the Royal Mail and its people. The contract we have signed gives the Royal Mail a commercial income stream without undermining our ability to continue providing a one price goes anywhere universal service to the UK's 27 million addresses."

The deal is an attempt to pre-empt the demands of the government-appointed postal regulator, Postcomm, which was in the process of imposing a far more stringent timetable for the breakup of the monopoly and the privatisation of other parts of the Post Office.

Postcomm has, however, welcomed the deal on the basis that it "is far better that the parties involved have negotiated their own access arrangements rather than have the terms and conditions imposed by Postcomm. Our determination document will not now be published, but instead we will give guidance to other companies interested in access to Royal Mail's

delivery network."

The response of the Communication Workers Union (CWU) has been somewhat guarded, but it will work to create the conditions for the smooth implementation of the deal. CWU General Secretary Billy Hayes said that this was an inevitable result of the government's drive for competition. He went on, "We are faced with competition, this is a fact of life, a challenge we will meet. There is no justification for job losses or to revert to a low-pay, casualised and insecure work force."

But low pay and conditions have already been a fact of life for thousands of postal workers for the last 10 years. Responsibility for this lies squarely with the CWU, which has worked to suppress any opposition to the growing privatisation of the Post Office. It has worked with the Royal Mail to implement its restructuring programme, so that in 2001 strikes in the industry were at a 10-year low.

Most recently, the sellout of the unofficial November 2003 postal strike over privatisation gave the green light to the Royal Mail to launch a massive restructuring programme, of which the ending of the monopoly is just the beginning and which will result in job losses and worsening working conditions.

The CWU has already overseen a reduction in strike action by 91 percent. It has recently signed a new National Agreement on Pay and Major Changes, which will radically alter the way the Royal Mail conducts its business. The new working methods will include a five-day working week, with a single-day delivery (SDD) service. Overtime will be cut back, as will payments for unsocial hours, which for the majority of postal workers will result in large pay cuts. The weekly wage of a postal worker is around £250.

In return, workers will receive bonuses that the Royal Mail says could bring wages up to around £300, but

this increase depends on meeting productivity targets. These include increasing the length of deliveries from two-and-a-half hours to three-and-a-half hours.

Estimates on job losses have been put at upwards of 30,000. In the last two years alone, 10,000 jobs have been lost. The Royal Mail has plans to destroy thousands of so-called temporary jobs—some temporary workers have been on the job for four years.

In another cost-cutting exercise that would save £10 million, the Royal Mail plans to cut the number of workers at its Undeliverable post-handling office in Belfast.

The union bureaucrats have fallen over themselves to extol the agreement, proclaiming, “This is a major new business and CWU joint initiative, as part of the commitment to significantly increase the status and professionalism of the delivery job. It will focus on further improvements to terms, conditions and improving business profitability. The national parties will oversee the project including establishing the involvement of CWU, employees and managers. To this end, CWU and Royal Mail agree to seek up to twenty volunteer delivery offices to progress and trial ideas, with the aim of putting together a comprehensive menu of proposals no later than May 2004.

“CWU and Royal Mail will provide technical advice and support, including delivering training workshops. These will be jointly designed, agreed, and delivered, to ensure that a consistent message is cascaded on behalf of the national parties for all representatives and managers participating in the revision process. This will include delivering presentations on the calendarisation approach and Health & Safety.

“It is recognised that the rapid implementation of single deliveries will be a priority commitment for representatives involved in the process. If there is a need for additional support to carry out normal day to day industrial relations activities this will be discussed and agreed at the appropriate level.”

Dave Ward, the CWU deputy general secretary, has correctly said that “the implications of this agreement and others that may follow raise fundamental questions over the future of the industry.” But one thing is certain—that under the leadership of the CWU bureaucracy, postal workers’ pay and conditions will suffer a continued retrogression.



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