

Additional 37 Crown Post Offices to close in Britain

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The demise of the UK's Post Office moves one step closer with the planned closure of a further 37 Crown post offices, threatening over 400 jobs, some 12.5 percent of the existing 3,344 workforce in these facilities.

Crown Post Offices are mainly larger branches, usually found on the high street of most towns or populous conurbations that provide an extensive range of services. Notwithstanding the tremendous developments in technology and global integration, the offices continue to provide an important function in many aspects of life.

For the powers-that-be, however, the post offices are just another lucrative source of profiteering, and the jobs, livelihoods and services it supplies are of no consequence. That is why postal services globally have been a target for privatisation and outsourcing and Britain is no exception.

At its highpoint in 1975, nearly one-half million people worked for the Post Office, making it one of the UK's largest employers, with 177,625 in the postal service alone. The Post Office Annual Report for 2016 records a total of just 6,605 employees.

The breakup and privatisation of the Post Office began under the Conservative government of Margaret Thatcher in the 1980s. Legislation passed in 1984 lifting the previous state monopoly over telecommunications accompanied the sale of 50 percent of the shares in the newly-created British Telecommunications, which had been hived off from the Post Office. In 1990, the Post Office's banking arm, Giro Bank, was sold off to the Alliance and Leicester.

The process of dismantling and selling off what remained of the Post Office continued under the Labour governments of Tony Blair and Gordon Brown.

In 2004, the second daily delivery of mail was abolished, and in 2006, Royal Mail lost its 350-year monopoly. The postal market was opened up completely to private sector competitors, who were now permitted to collect and sort mail, which was then passed over to

Royal Mail for delivery.

Under Labour, in 2007, 85 Crown post offices were closed, 70 of which were sold to the private retailer WH Smith.

The growth of the Internet and online communications technology, such as email, saw a significant drop in the volume of letters being sent. In 2008, the Labour government sought a partial privatisation of Royal Mail. Although the legislation passed in the House of Lords, it was blocked by a number of backbench Labour MPs in the House of Commons.

Following the 2010 general election, the incoming Conservative-Liberal Democrat coalition moved quickly to revive the privatisation plans developed under Labour. New legislation was passed allowing the privatisation of up to 90 percent of Royal Mail. Liabilities for the company's pension scheme were transferred to the Treasury, and in 2012, the Post Office was split away from Royal Mail, to make the latter more attractive to prospective buyers.

This left the Post Office as a rump, responsible just for running the network of Crown post offices and sub post offices. In 2013, the Post Office announced plans to franchise another 70 Crown post offices by moving the operations into shops, further reducing the Crown network to around 300 branches.

Changes in the payment of pensions and benefits removed one of the crucial services provided by the Post Office.

As part of the floatation of Royal Mail on the stock market, it had to sign up to a 10-year inter-business contract to use the services of the Post Office. However, the growth of private collection and delivery companies, such as Hermes and Yodel, makes clear that the most likely outcome will be a further reduction in business for the Post Office once this contract expires.

Workers in the Post Office/Royal Mail have seen one

assault on their jobs and conditions after another under both Tory and Labour governments. The sale of Royal Mail in 2012 at far below the market price saw shareholders reaping a bonanza. This was paid for through the destruction of tens of thousands of jobs in the drive to turn a vital public service into a source of private profit.

At the same time, many functions have been transferred into the private sector, where workers are paid the minimum wage, or are super-exploited on the basis of phony “self-employment” contracts—denying them even the minimum of protections and benefits still afforded an employee.

Those workers remaining in the Post Office face a situation in which the government is systematically removing its functions and starving it of investment as a prelude to its ultimate closure.

In a cost-cutting move and further attack on conditions, the Post Office and Royal Mail have implemented changes to their “final salary” pension schemes affecting some 100,000 workers.

Royal Mail has already closed its defined benefits pension scheme to new entrants—which links the pension to a worker’s earnings history, length of service and age. Now it wants to close the scheme to “future accrual,” drastically lowering the benefits that would be received on retirement. Under the changes, for example, a manager in their 40s would see their expected pension slashed from £38,000 to just £18,000 a year. A similar level of cuts would affect all grades.

The Post Office has begun a phony “consultation” process that will inevitably lead to it carrying out the same attacks on pension rights. This, according to the Communication Workers Union (CWU), is despite the pension fund being in a healthy surplus.

Not only does this mean that Post Office workers who have yet to retire will receive smaller pensions—those who have already retired could also see their benefits reduced. The employers have justified their slash and burn approach by claiming previous pension schemes were “simply unaffordable,” and so workers must be willing to accept lower benefits when they retire.

This stands in contrast to the generous treatment of former Royal Mail/Post Office chief executive Adam Crozier. When he left in 2007, after having received a 25 percent salary bump taking his remuneration to £1.25 million, he was awarded £158,000 in annual pension and benefits.

At the end of 2016, CWU members in the Post Office took strike action against the attacks on jobs and pensions.

This struggle was sabotaged and undermined by the union from the start.

The strike was limited to just a few days involving the Crown Post Offices, with no action organised to include the far larger workforce at Royal Mail, who face the same attacks.

The CWU has done nothing to oppose the privatisation of Royal Mail/Post Office. It has functioned as a junior partner to management in imposing the speed-ups and deterioration of workers’ pay and conditions demanded to make the business “profitable” in face of the competition.

The New Year message from CWU Deputy General Secretary Terry Pullinger made clear that union is motivated not by a genuine desire to protect its members and their conditions, but by its own interests, to uphold its own role as co-manager.

Pullinger highlighted the fact that privatisation only went ahead with the cooperation of the union, and included a legally-binding agreement protecting the “industrial relations framework.” In other words, the deal safeguards the right of the CWU bureaucracy to sit alongside management when it comes to imposing further cuts, while continuing to receive its members’ dues through the check-off system.

Workers cannot look to the union to defend their jobs and conditions. The CWU shares the same pro-capitalist outlook as the management. It is not a vehicle for fighting back against the bosses and the government, but a mechanism to ensure such a fight does not succeed.



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