

WRITING WORTH READING

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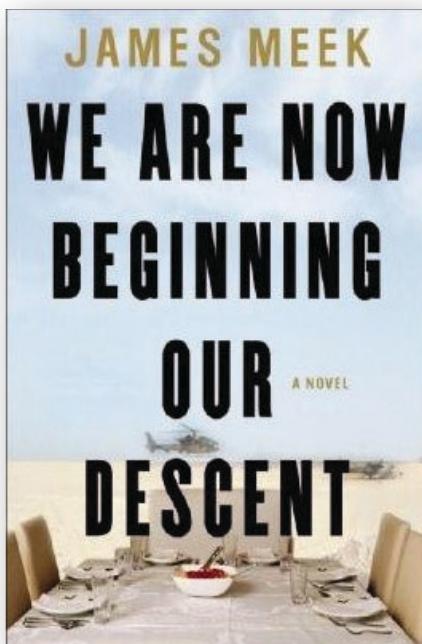
EXTRA

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IN THE SORTING OFFICE

GOVERNMENTS, CORPORATIONS AND
THE FUTURE OF THE POSTAL SERVICE

JAMES MEEK



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This essay first appeared in the London Review of Books, whose financial contribution funded Meek's travel and research in Holland

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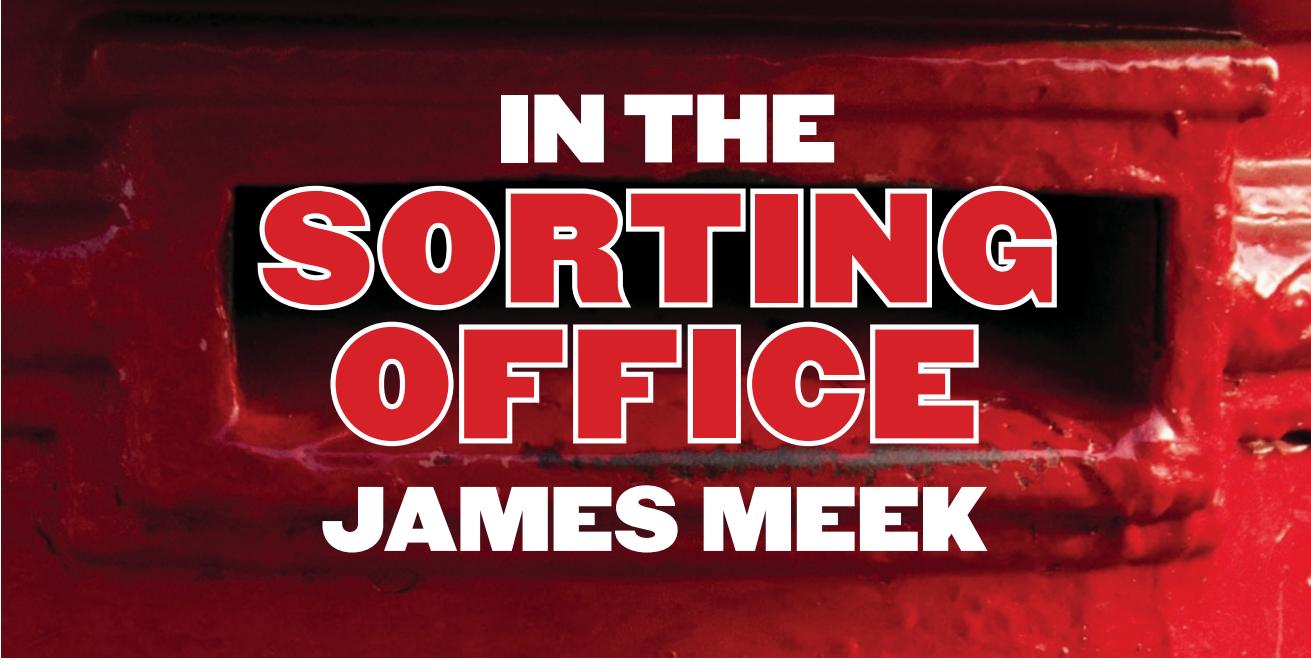
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WRITING WORTH READING FROM AROUND THE WORLD

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IN THE SORTING OFFICE

JAMES MEEK

Somewhere in the Netherlands a postwoman is in trouble. Bad health, snow and ice and a degree of chaos in her personal life have left her months behind on her deliveries. She rents a privatised ex-council flat with her partner and so many crates of mail have built up in the hallway that it's getting hard to move around. Twice a week one of the private mail companies she works for, Selektmail, drops off three or four crates of letters, magazines and catalogues. She sorts and delivers the fresh crates but the winter backlog is tough to clear. She thinks her employers are getting suspicious. I counted 62 full mail crates stacked up in the hall when I visited recently. There was a narrow passageway between the wall of crates and her personal pile of stuff: banana boxes, a disused bead curtain, a mop bucket. One of the crates has crept into the study, where the postwoman's computer rears up out of her own archival heaps of news-

Across the world, postal services are being altered like this: optimised to deliver the maximum amount of unwanted mail at the minimum cost to businesses

papers and magazines. Should these two streams of paper merge they would not be easily separated. The postwoman hasn't given up. She had a similar problem with the other private mail company she works for, Sandd, a few years back. 'When I began at Sandd in 2006 I delivered about 14 boxes of mail every time,' she said. 'I couldn't cope and at Christmas 2006 I had about 90 of these boxes in the house. By New Year's Day we had 97. There were even boxes in the toilet.' The postwoman is paid a pittance to deliver corporate mail. She hasn't done her job well, yet so few people have complained about missed deliveries that she hasn't been found out.

Across the world, postal services are being altered like this: optimised to deliver the maximum amount of unwanted mail at the minimum cost to businesses. In the internet age private citizens are sending less mail than they used to, but that's only part of the story of postal

decline. The price of driving down the cost of bulk mailing for a handful of big organisations is being paid for by the replacement of decently paid postmen with casual labour and the erosion of daily deliveries.

I agreed not to name the Dutch postwoman or to give away any detail that would identify her. Even if she wasn't sitting on months of undelivered mail Sandd or Selekt could sack her in a heartbeat. She works, she reckons, about 30 hours a week for the two companies, earning about five euros an hour, although the legal minimum wage in the Netherlands is between eight and nine euros an hour. She has no contract. She gets no sick pay, no pension and no health insurance. One of the companies gives her a dribble of holiday pay. Selekt gave her a jacket and a sweatshirt but she gets no other clothing or footwear and has to pay to maintain her own bike. The company is able to offer such miserable conditions because of loopholes in Dutch employment law. The postwoman is paid a few cents for each item of mail she delivers. The private mail firms control their delivery people's daily postbag to make sure they never earn more than €580 a month, the level at which the firms would be obliged to give them a fixed contract. Somehow Selekt has not noticed it is getting fewer empty crates back than it sends full crates out. When I followed the postwoman to the kitchen, I saw, like some recurring nightmare, 20 more crates filled with letters.

Selekt's crates are yellow and stamped with the black hunting horn logo of Deutsche Post, the former German state mail monopoly that, like its Dutch counterpart, was privatised long ago. For years the two have been locked in a struggle for business on the streets of the Netherlands, part of a fratricidal postal war



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across northern Europe from which Royal Mail – soon, if the government gets its way, to be privatised like its Dutch and German peers – is not immune. Privatising old state post companies doesn't necessarily make it easier for rivals to compete with them. Privatisation isn't the same as liberalisation. But in Holland privatisation and liberalisation combined have altered the post in a way far beyond anything Britain has seen.

Every week Dutch households and businesses are visited by postmen and postwomen from four different companies. There are the 'orange' postmen of the privatised Dutch mail company, trading as TNT Post but about to change their name to PostNL; the 'blue' postmen of Sandd, a private Dutch firm; the 'yellow' postmen of Selekt, owned by Deutsche Post/DHL; and the 'half-orange' postmen of Netwerk VSP, set up by TNT to compete cannibalistically against itself by using casual labour that is cheaper than its own (unionised) workforce. TNT delivers six days a week, Sandd and Selekt two, and VSP one. From the point of view of an ardent free-marketeer, this sounds like healthy competition. Curiously, however, none of the competitors is prospering. TNT is being forced by the hedge funds and other transnational shareholders who control its destiny to split up, even as it tries to beautify its bottom line by replacing reasonably paid jobs with badly paid ones. Deutsche Post is pulling out of the Netherlands and selling Selekt to Sandd – a company that has never made a profit.

Sandd, set up by a group of ex-TNT managers, pioneered the distinctive Dutch style of private mail delivery. 'Sandd' stands for 'Sort and deliver'. In Britain, as in many other countries with big postal networks, private companies

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can now collect and sort mail, but delivery, the so-called ‘final mile’ of a letter’s journey, is still effectively a Royal Mail monopoly. Mail is delivered from distribution centres to local delivery offices, where salaried Royal Mail postal workers sort it into individual rounds and deliver it by van, bike and on foot. Under the Sandd system, crates of mail are delivered to casual workers’ houses. These workers sort the mail, on whatever flat surface they can find, then deliver it on set days at a time of their choosing. Besides slashing the mail companies’ overheads, the system has the advantage, from the management’s point of view, that there is little danger of the postmen and postwomen meeting each other to swap grievances or talk about joining a union.

I watched the postwoman sorting mail in her kitchen, dividing it up into piles on the steel counter on either side of the sink, carefully dried after the evening’s washing-up. It seemed to be mainly Ikea catalogues, the cover showing an exquisitely lit arrangement of blond, cheerful furniture. The Ikea ideal did not include any obvious area for the sorting of mail. As the greasy slap of the catalogues’ plastic covers hitting the counter became monotonous, my eye kept being drawn to a row of Smurfs balanced on the copper pipe above the sink. They were covered in a thick layer of black dust. The postwoman knows things are not going well. In an anguished email she sent me after my visit, she wrote: ‘Many tears are dropping.’

Another private postman, Joris Leijten, who quit Sandd in January, told me that he used to sort mail on his bed. In a café among the grand villas of Bussum, near Hilversum, he handed me the flyer that Sandd put through his door after he



Competition, it is said, will benefit everybody. But competition, as Leijten noted, only really exists for large organisations

resigned, advertising his job: a picture of four smiling white people in Sandd blue, striding down the road with light sheaves of paper, grinning. ‘Keep busy outdoors, in charge of your own time,’ it read. ‘Ideal for students, housewives and pensioners.’ He showed me a day’s work from just after Christmas: three rounds, sorting and delivering 323 pieces of mail, weighing a total of 81.4 kilograms, to 279 addresses. Sandd claimed this should take six hours; Leijten said it took eight. For this he was paid a little over 27 euros – not much more than €3 an hour.

Sandd promotes the job as a ‘bijbaan’, a bit of work on the side for somebody who wants fresh air and exercise and already has a state pension, is studying or has a salaried husband. But Leijten, 32 and unable to get the museum job he’s trained for, is not alone in relying on several poorly paid bijbaans for his livelihood. I asked whether Sandd gave him anything besides eight cents a letter. Normally, he said, workers had to pay for their uniforms out of their wages. But the company also hands out ‘points’ every so often, which can be redeemed against a blue Sandd jacket.

In the Netherlands, as in Britain, the postal market has been liberalised in the name of the consumer, as Europe’s former citizens are now known: competition, it is said, will benefit everybody. But competition, as Leijten noted, only really exists for large organisations. Private citizens can’t post letters in Sandd or Selekt mailboxes. There aren’t any. Ordinary Dutch people still have to pay 46 cents to send a TNT letter. The Dutch government, meanwhile, has negotiated a deal with Sandd to deliver some of its mail at 11 cents a pop. ‘For ordinary people, there’s no choice, there’s only TNT,’ Leijten said. ‘The postal system is sick.’

On the eve of my journey to Holland, David Simpson, the earnest Ulsterman who is Royal Mail's chief spokesman, took me to one of the facilities the company is most proud of, the Gatwick mail centre in Sussex. Despite its name, it has nothing to do with the nearby airport. It's a giant mail processing plant, built in 1999, that sucks in and shoots out every letter, packet and small parcel posted from or sent to every address in six hundred square miles of England, from the M25 down to the south coast, from Eastbourne in the east to Littlehampton at the westernmost edge of the county. They sort two and a half million items a day.

Michael Fehilly, Gatwick's manager, strode around in a grey pinstripe suit, brown loafers and an open-necked pink shirt. He's second-generation Irish. 'My dad tells me I'm a plastic Paddy, not a real one,' he said. He grew up on a council estate in Peckham and joined the Post Office as an apprentice postman in 1987, aged 17. He hated the early starts and was ready to quit after a few months. Instead they made him a trainee manager. Twenty-four years later he is a company star. Under Fehilly, Gatwick has embraced the philosophy of the Japanese management consultant Hajime Yamashina, which Royal Mail is trying to propel throughout the company. Yamashina visits Gatwick all the time. He was at the mail centre on the day the earthquake and tsunami struck his homeland. Fehilly's eyes shone as he preached the Yamashina way. It starts with safety. All over the mail centre there are cute cartoons of an animal in a white coat and glasses: the Safety Mole. 'Don't be safety blinded, be safety minded,' Fehilly said, explaining the mole's message. 'When I started the programme I could guarantee 28 accidents a



The Gatwick workforce saved a million pounds a year just by hiring an electric truck to replace the laborious heaving of mail trolleys from one side of the plant to the other

year – a knock, a bump or a bruise. Last year we had zero accidents.'

The vast industrial space, made of breeze-blocks and galvanised steel and filled with trolleys and sorting machinery, is neat and clean, enabling Fehilly to practise his kaizen powers of vision. He stopped suddenly and pointed to a bit of floor that looked spotless to me. 'I can see three rubber bands and a label,' he said. 'That's a defect to me now. Five years ago I would just have accepted that. Now my eyes have improved, that's a defect to me.' Fehilly has worked with the staff to find solutions to problems they didn't know were problems. The Gatwick workforce saved a million pounds a year just by hiring an electric truck to replace the laborious heaving of mail trolleys from one side of the plant to the other. They discovered that certain electric conveyor belts were slowing down the people who worked on them and invented a simple, unpowered device that let gravity do the work instead. They found that, for more than a century, nobody had questioned the number of pigeonholes in the frames that mail sorters use to sort letters by region. Why were there 56? Because there'd always been 56. It turned out that entire man-years of pain and muscle strain, not to mention wasted time, could be saved just by reducing the number of pigeonholes to 15 and cutting openings at the back as well as the front.

Yet even with such ingenuity and co-operation, even with the closure of post offices and mail centres and the whittling down of the company workforce from 230,000 to 165,000 in nine years, even at relative peace with the union, the Royal Mail is struggling to get in the black. It can't make more money without modernising faster, and it can't modernise faster without more money. It's compet-

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ing for a shrinking quantity of mail with aggressive competitors, first among them the Dutch TNT. Unlike its competitors, it is still obliged to hand-deliver to every home and business in the country, from Lerwick to Penzance, six days a week.

I wondered what Fehilly thought of the Sandd system, and told him I was on my way to the Netherlands to see how their private postmen operated. Fehilly didn't see why it couldn't work in Britain. 'We can prepare the mail for delivery,' he said. 'We can go and deliver a sack of mail to some mother's house who's just dropped her kids at school, she can spend two or three hours delivering mail in her area – it's a model we're aware of and would like to use. We're stuck with a large workforce ... [the Dutch model] is a model we've spoken of and would like to do in the future.'

I sensed Simpson, standing at my shoulder, prickling nervously. 'We'd certainly have to agree that with the unions,' he said.

'Of course, yes. But why not?' Fehilly persisted. 'I'd say, in the future, why not look at these models if they're more efficient?'

It's not easy to understand what happened to turn the Netherlands into a test bed for a private postal service. In privatising their own royal mail the Dutch, who for some reason have an image in Britain and America as vaguely hippyish lefty liberals, went one step further than Margaret Thatcher ever did. The Dutch establishment weaves a subtle web of complicity and patronage that binds its members together over generations, discouraging discussion of the past with outsiders. Ruud Lubbers, who as prime minister from 1982 to 1994 led the free-market charge, declined my interview request. Neelie Kroes, who pushed



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through the privatisation of the Dutch post office under Lubbers in 1989, has the excuse that she is now a European commissioner.

One morning I went in search of the last left-winger to run the Dutch mail, Michel van Hulten, who had the post office in his portfolio until 1977 in the government of Joop den Uyl. I boarded one of the yellow double-decker trains that tick across the Dutch countryside and set out for van Hulten's home in the town of Lelystad. At some point a change in the light made me look up from my book. The landscape had changed. To the right of the train was a flat plain dotted with rows of boxy houses. There was something raw and fresh about the land, like some stretch of the American prairie that had only just been settled by Europeans, and something strangely familiar about the low-rise, flat-roofed, cuboid form of the houses, even the way they were spaced: it looked like Milton Keynes.

To the left, towards the sea, the view was disorientingly different. It reminded me of an illustration in a book I had as a child of how the north European plain would have looked at the end of the Pleistocene era. Under a grey sky, the flatlands stretched off towards the bright horizon, dotted with isolated trees, bent over by the prevailing wind, like some Friesian veldt. The spring grass, sprouting bright green out of the cold soil, was being cropped by huge herds of deer, shaggy, long-horned kine and wild ponies. It was a primeval scene, a few minutes north-east of Amsterdam; only the mammoths were missing.

This, as van Hulten explained to me in the kitchen of his Lelystad bungalow, was Flevoland. It's artificial, the result of perhaps the most grandiose act of intervention in nature by a 20th-century gov-

ernment: the creation of new land out of the sea in the form of two great polders, together about the size of South Yorkshire. The kitchen where we sat eating toast and cheese and drinking coffee was, when van Hulten was born in the Dutch East Indies in 1930, several metres under the salt water of the Zuiderzee. The deer, ponies and cattle I saw had been imported and left to run wild in a nature reserve, the Oostvaardersplassen. And Milton Keynes? ‘The English new towns were an inspiration for us,’ van Hulten said, and he smiled at me kindly as though I were a long-lost relative. He was one of the architects of Flevoland, and one of its early inhabitants. He and his wife were among the first 400 settlers of this new world in 1972, as his brief political career began. The virgin lands he helped to create memorialise the era of government intervention, of belief that the state had the power, the right and the duty to make a better world for its citizens. The building of the dam across the Zuiderzee began as a Great Depression work programme, and the appearance of the polders above the waves coincided with the high-water mark of progressive socialist optimism in the 1960s and 1970s.

‘In the beginning, the state did everything,’ van Hulten said. ‘It was a state enterprise and fully paid from the state budget. When you needed money no one in the Hague was interested why: you got it.’ Marxist and New Testament ideas mingled in van Hulten and the spirit of Paris was palpable in Holland in 1968, when the non-aligned group he was one of the leaders of, the Christian Radicals, became a political party, the Political Party of Radicals or PPR. A series of accidents led to his getting a seat in parliament and in 1973 he found himself, to his surprise, the minister for transport in



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a left-leaning coalition government, and responsible, among other things, for the Dutch post office.

In the 1970s the Dutch, like the British, experienced high inflation, rapid industrial decline, strikes, a vague sense of national failure and a reaction against the dirigiste, technocratic governments that built new towns or summoned a Flevoland out of the sea. Locked in a fractious coalition cabinet where the prime minister’s trump card was his ability to stay awake longer in late-night meetings than any of his quarreling ministers, van Hulten saw the growing ideological polarisation of Dutch politics, but didn’t realise that the same intellectual currents driving Thatcherite and Reaganite thinkers were at work in the Netherlands. When he took charge of the Dutch post office, it was losing money. His solution was straightforward: he doubled the price of stamps. He still sounds surprised that he was attacked for it from the opposition benches by Neelie Kroes, who accused him of hurting business. His idealism brought him up against the rightist finance minister, Wim Duisenberg, over the post office bank.

‘It was one of the richest banks in the Netherlands, 100 per cent owned by the Dutch people,’ van Hulten said. ‘It was my opinion that we should use the money for social purposes ... That was a fight I lost. Duisenberg already favoured making the post bank independent of the post office. I did not understand this at the time as a move to privatisation.’ Van Hulten left government and parliament after the 1977 election. His successor, Kroes, set about preparing the ground for the privatisation of the Dutch post office. Not long afterwards, a curious sequence of Nazi-related scandals felled Lubbers’s Christian Democrat rivals – one of them,

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the ex-postal worker Wim Aantjes, forgot to tell anyone that he had joined the SS during the war in order to get out of forced labour as a postman in Nazi Germany – and Lubbers became prime minister, pushing through postal privatisation with Kroes in 1989. Seven years later the privatised company bought the Australian parcels company TNT and took the name it has kept until now.

Van Hulten, who is 81, is still an activist, an idealist. The privatisation of the mail depresses him; the latest privatisation, of Holland's local transport networks, makes him angry: the three bus companies supposedly competing in Lelystad, he said, are all owned by the same French firm. 'Today's Wednesday, yeah?' he said. 'On Wednesday, we have at least six people coming to the door, all bringing some mail. First was the local paper. Then the other local paper. Then the postman comes. Three more will come later. I think that's the basic defect of post office privatisation. What used to be done by one man is now done by six. They're all underpaid, and the delivery hasn't improved. It used to come in the morning, and now I'm still waiting.'

When the Dutch post office was privatised in 1989, there were reasons to think Lubbers and Kroes had done the organisation a favour. For all their belief in the virtues of the free market, the Dutch were evidently guided by a patriotic sense of national interest when it came to their royal mail. Whereas Britain sold off the shiniest part of the old Post Office, the telecoms part, as British Telecom in 1984, leaving the mail to fend for itself, the Dutch kept the mail and phones together until 1998, making the company stronger. From 1986 to 1996, when postal services in both countries were making money, the Conservative government borrowed



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almost all Royal Mail's profits – £1.25 billion – to fill the holes in Britain's budget, while the Dutch post office kept its profits and used them to modernise and to buy TNT. In the late 1990s, when email and the internet began to destroy paper mail and new European rules exposing the old postal services to competition loomed, the Dutch were in the stronger position. In 2000, TNT had become so powerful relative to Royal Mail that the Blair government held secret talks about merging the British postal service with, or selling it to, its Dutch rival.

That deal fell through. But the regime put in place by New Labour in 2000 to expose Royal Mail to competition had a curious effect. Whereas other European countries, like the Netherlands and Germany, protected their old postal firms by giving them complete commercial freedom long before they had to compete with rivals – privatisation first, to prepare for liberalisation – Britain did it the other way round: liberalisation first, privatisation eventually, perhaps. What this meant was that Britain's rules for who could deliver what mail, and for how much – rules that were supposed to protect plucky, nimble entrepreneurs from the pampered monopolistic dinosaur that was Royal Mail – were of most benefit to the only marginally less pampered private monopolies of the Continent. By trying to prevent the small mammals of the postal world getting squashed by the Royal Mail brontosaurus, Labour and their advisers exposed Royal Mail to the raptors of TNT and Deutsche Post, aka DHL.

I asked Martin Stanley, the former civil servant Labour put in charge of exposing Royal Mail to competition from 2000 to 2004, why Britain did it before everyone else in Europe. 'Unilateral disarmament,'

he said. 'If we hadn't disarmed first, it would have taken Western Europe much longer to do it. Deutsche Post and TNT didn't face serious competition in their home countries. They were portrayed as these great privatised companies but they were not competing in the bulk mail business, they were simply making huge profits. British policy was, if we don't open up, nobody will.'

Then surely, I said, letting other countries' monopolies take market share from a British monopoly, when the British monopoly couldn't do the same in Holland or Germany, wasn't fair competition?

'I don't think we could have said we have a UK competitor but not a German one,' Stanley replied. 'What really matters is that mail is posted, collected, sorted, transported and delivered by British people: always has been, always will be. Ownership of the company is irrelevant. If we hadn't come along and woken up Royal Mail in the way we did, Royal Mail would now be a horrible basket case.'

Except that a horrible basket case is exactly what Royal Mail has become, according to Richard Hooper, whose successive reports on the organisation – the first appeared in 2008 – have given the government its case for selling the company off. The legislation to enable the sale is going through Parliament now. 'Without serious action,' Hooper warns, 'Royal Mail will not survive in its current form and a reduction in the scope and quality of the much loved universal postal service will become inevitable.'

One day in 1979, a British postal functionary settled down to write a five-page instruction called 'Trap Doors in Postal Buildings'. He listed five kinds of permissible trap door. A trap door in category B 'should be strong enough to carry the weight of a man who accidentally steps



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on the trap door. It must carry a label on self-adhesive vinyl, black on yellow, measuring 250 by 200 mm, saying do not stand on this trap door.' Who was this far-off bureaucrat? Did a superior send him a memo telling him that there was need for a fresh trap-door instruction? Why? Were they constructing postal buildings in 1979, or postal castles? Was the anonymous official, perhaps, the same person who wrote instruction number No2Foo24, 'Vocabulary of Grey Uniform with Corresponding Outer Clothing', or declared in instruction K07Bo400, 'Clocks', that 'Clocks should be provided in cloakrooms that serve more than 50 persons, but not in corridors'?

In the research department of the Communication Workers Union in Wimbledon, whole yards of shelving are taken up by red folders itemising the postal rites of the past, an encyclopedia of forgotten modalities for any postal occasion. 'When I joined,' said John Colbert, now the CWU's communications and campaigns manager, 'you were in a classroom for two months, learning all the different acronyms. There was a postal instruction for everything. What every label meant. At the end of it you had a sorting test. If you passed, you became a Substantive Postman. They don't do none of that no more.'

People have changed. One-time Substantive Postman Colbert, who led a Militant cell in Milton Keynes in the 1980s, now talks cheerfully about the union hiring a lobbyist who used to work for William Hague, Philip Snape, to press its anti-privatisation case with the coalition. Context has changed too. Even as the old empire of Britain's postal bureaucrats began to crumble with the split-off of British Telecom under Margaret Thatcher in 1981, a greater threat to traditional mail

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was forming. By 1982, a hundred thousand executives in the US were wired into a fad called ‘electronic mail’. The office system consultants Urwick Nexus were scornful of this frivolous innovation. ‘Who wants to replace a diary by a thousand pound terminal and have to learn to type in the process?’ they sneered. ‘What is wrong with a memo? About 90 per cent of letters are delivered next day and that is fast enough for most requirements. If you want to send an urgent telex you can always go to the telex room with a handwritten note.’ By 1985, the word ‘email’, initially spelled with a hyphen, began to replace ‘electronic mail’. The US firm MCI offered a transatlantic service to its American clients. It only took a minute for the sender’s email to flash to MCI’s state of the art receiving centre in Brussels, where it would be lovingly printed out and hand-carried to its destination by a Belgian postman.

And then everybody learned to type. Before I started working on this article, I thought about trying to set up the interviews by post. I didn’t think about it very long. I sent no letters for the article, and received none. I phoned, emailed, texted, Skyped, Vibered, Gmail Chatted and Googled. It’s almost Easter, but I’ve only just used the last of my Christmas stamps. I sent a card to a friend to thank her for dinner and she emailed back to thank me for my thank you. This morning in the post I received a bank statement I don’t need, a credit card statement I don’t need and a card from Ed Miliband urging me to go online to tell him my priorities for moving Britain forward.

Just after the turn of the millennium the growth in the amount of mail being sent became decoupled from the peaks and troughs of economic growth. The economy boomed, but the rate of in-



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crease in paper mail fell as email, text messages, web chat and the internet in general erased old paper trails. The increase in the number of packages sent as people order goods over the internet can’t make up the difference. In 2005, the letters market went into absolute decline, and has fallen ever since. By 2015, according to the Hooper reports, letter volumes are likely to decline by another 25 to 40 per cent.

Technological shifts are nothing new. In the late 18th century, new media meant horse-drawn mail coaches flashing information up and down the country, in the form of newspapers, at the blinding speed of six and a half miles an hour. Fifty years later, the railways came along, and, presumably, a lot of disgruntled mail-coach drivers found themselves looking for alternative employment. What is different this time is that text has broken free of the requirement for it to take material form, and for a human hand, at some point, to feel its weight.

There aren’t many large factories in the heart of London. Perhaps Mount Pleasant, hunched battleship-grey on a street corner in Clerkenwell, is the last. More than 1700 people work in this decrepit postal Gormenghast, breathing the ancient institutional smell of its stairwells, treading the worn parquet flooring and flicking paper into dark pigeonholes to the cacophony of clashing music stations. If any postal building has trap doors, surely it is this one.

When in 1889 the Post Office took over the debtors’ prison that stood on the site, it didn’t demolish the whole jail at once, but edged in beside it, like an impudent lodger renting half a bed. The building was flooded in a wartime air raid, gutted by fire after another, then burned out again in 1954. Far beneath it lies the

derelict central station of the Royal Mail's defunct underground railway. Some of the mail centre's machinery is 25 years old. They used to have 12 letter-sorting machines; now they have 11 and use the 12th for parts. Mount Pleasant is the Royal Mail's favourite 'before modernisation' exhibit to Gatwick's 'after'. 'I've been here eight years,' said Richard Attoe, the manager who showed me round with David Simpson, 'and it's never had a lick of paint.'

All this is supposed to change. Mount Pleasant is the chosen one: the last mail centre to remain standing in inner London after the South London operation, in Nine Elms, and the East London one, in Bromley-by-Bow, both go dark next year. Royal Mail will spend £32 million to remake Mount Pleasant. Already an entire floor has been cleared, ready for new machinery, Hajime Yamashina and the Safety Mole. The reason Nine Elms and Bromley-by-Bow aren't getting investment, Royal Mail says, is that there isn't enough for them to do. In 2006, London posted 861 million pieces of mail. By 2014, Royal Mail predicts, that will have fallen to 335 million. Across the country about a score of mail centres have been or will be shut, including Liverpool, Bolton, Hull, Oxford and Milton Keynes.

While the makeover of Mount Pleasant proceeds, the mail doesn't stop. On the evening I visited, the depot workforce was sorting a flood of census forms and handling two million trade-union ballot papers without breaking sweat. Some new machinery has already arrived. One enormous contraption, like a Marcel Duchamp-Philippe Starck collaboration, does nothing but sort A4 envelopes. 'This machine is about five years old. It replaced about 120 postmen. It's an excellent bit of kit,' Attoe said. 'When



One of the things you realise when you see a postwoman prepping the mail is how much time she has to spend dealing with the global public's incompetence

we get the census forms through it just bangs them out.'

Simpson gazed through a window into the guts of a machine where endless missives danced hypnotically. 'When you look at it you get a feel of Britain as a nation,' he said. 'There's something unifying about it.'

Besides its huge mail centre operation, Mount Pleasant has a delivery office. It is, in effect, the City of London's mail room, delivering to all the EC postcodes. One morning I joined a postwoman, Denise Goldfinch, on her round. Postal workers call them 'walks'. As I walked towards the green plastic gills of her sorting frame her colleagues began to bark like dogs: a postal worker called Prince had just entered the room.

Goldfinch was a petite woman in a sky-blue Royal Mail blouse, with a henna bob and gold hoop earrings. She'd got up at ten to five and caught the 63 bus from Waterloo to start her 6 a.m. shift. Her son is BA cabin crew; her husband is a driver. When I met her it was not long after nine and she was sorting her mail down into individual addresses, wrapping them in bundles with red rubber bands, ready to go in her pouch. She had three bags of mail that day; while she was delivering the first batch, a van would be dropping the other bags off at 'safe drops' where she'd pick them up later. One of the things you realise when you see a postwoman prepping the mail is how much time she has to spend dealing with the global public's incompetence. Goldfinch had more than a hundred undeliverable letters. A single legal firm in New Jersey had sent a dozen to a non-existent company on her walk. Goldfinch had to put a sticker on each one and tick a box explaining why it couldn't be delivered. She went to weigh her pouch: it

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came in at 9.7 kilograms; the maximum is supposed to be 16. ‘What it is, because in the Royal Mail everything’s done on seniority, because I’ve got 25 years, this is what we’d call a good walk,’ she said, meaning it was relatively light. She reckoned it would take her two hours. She skipped her morning break, and we left Mount Pleasant at ten; she’d be finished by noon.

I carried Goldfinch’s bag, and we stepped through the turnstile into the spring sunshine of Farringdon Road. It was like being in a promotional film designed to show how wonderful it is to be a postwoman. The leaves were coming out, the air was mild and old ladies greeted Goldfinch by name, as if they had been looking forward to seeing her, as if they were lonely and might not see anyone else that day. We rang the doorbell at a flat to get a householder to sign for something and after a long delay he came to the door. He looked wan but pleased. ‘Sorry about the wait, I’m recovering from a stomach bug,’ he said. ‘How are you?’

‘I’m well, thank you.’

‘Nice to see you.’ And we moved on to the flower shop. Perhaps the sickly addressee lived alone; a third of British households have only one member. As long as there is post, at least one human being comes to the door with something for you.

The sun doesn’t always shine on post-women. It snows. It rains. Dogs bite (it happened to Goldfinch once). There are stairs to climb – hundreds, if you work in Edinburgh or Glasgow – and hills and muddy paths. Most postmen don’t get to walk straight out of their delivery offices and into their walk, as Goldfinch does. And most walks last longer than two hours. Lower-level union officials and



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individual postmen, such as Roy Mayall (LRB, 24 September 2009), complain that Royal Mail is fiddling the figures and mail volume is going up, not down; that the software used to calculate optimum routes for walks doesn’t take reality into account; that postmen are being loaded with ever heavier bags and being bullied into doing ever longer walks. In a barbed inter-postmen discussion on the bulletin board royalmailchat, postmen talk of daily loads from 120 kg (heavy) to 25 kg (light), though a postman who claims to have weighed a load of 130 kg is regarded with scepticism. On another thread, a part-timer asks whether other postmen think it is possible for him to walk eight and a half miles on his round, delivering mail, in two and three-quarter hours, as he is expected to do. The consensus is that it isn’t.

‘If a postman says to me, “Don’t tell me about falling mail volumes, I’m carrying more than ever,” a lot of the time he’ll be correct,’ Simpson said. ‘But the round is designed to take three and a half hours, with the last letter delivered at the end of the round, not the way it would have been five or ten years ago, an hour after the round started. I think most postmen are working harder and being paid the same ... They’ve been used to working 80 per cent of their time, but now they’re working 100 per cent.’ Working 100 per cent, as those who have tried it know, involves shooting for 90 per cent and ending up with 110. The more precisely Royal Mail management tries to make the mail-bag fit the time and distance allotted, the more likely it is that some postmen will be pressured into carrying too much too far. Times are tougher for Britain’s postmen. But in the opinion of Royal Mail’s competitors, not tough enough.

A typical Royal Mail postman out-

side London earns about £375 before tax – just shy of £20,000 a year – for a 40-hour week, with diminishing prospects for overtime. ‘That’s a lot of money in current terms,’ said Guy Buswell, the chief executive of UK Mail, Royal Mail’s only big British competitor alongside Deutsche Post and TNT. ‘My drivers who deliver parcels have to struggle to get £300 in their pay packets before tax and they work a lot longer hours than postmen do.’ Denise Goldfinch is not only better paid than the private postmen of Sandd and Selekt in the Netherlands: she gets five weeks a year paid holiday for long service. She gets a uniform and service footwear provided free. In the savage ice and snow of last winter, she was given spikes for her shoes. When she retires, it will be with a decent pension.

But it is the private postman model that competition is pushing the Royal Mail towards. The real battle for postal workers and their sympathisers is not so much to save the jobs that are doomed to fade away (‘60,000 people since 2002 is nothing!’ Buswell snorted when I mentioned how far Royal Mail had already slimmed down), as to prevent the degradation of the jobs that remain: to prevent the job of postman from becoming something like a child’s paper round. ‘In real terms, now, “postman” should be a part-time job,’ Buswell said. ‘If you look at the cost of sorting by hand it’s about 2p a letter; by machine, it’s 0.1p a letter. Unfortunately that’s the way it’s going to go. The actual job the postman does in the near future is just delivering. They will deliver for four or five hours and that’s done.’

I got a pretty clear line when I phoned Muck, but I had to call my contacts on the island several times while lambs and grandchildren were dealt with. Muck



The real battle for postal workers and their sympathisers is not so much to save the jobs that are doomed to fade away, as to prevent the degradation of the jobs that remain

only gets mail four times a week, and I wondered if they minded. ‘It seems very reasonable,’ said Lawrence MacEwen, whose family owns the island. ‘I would even be quite happy if we had less. About three times a week is probably plenty.’

According to law, the Royal Mail must empty each of Britain’s 115,000 postboxes and deliver any letter to any of Britain’s 28 million addresses, six days a week, at the same, affordable price, wherever the letter is posted and wherever it’s going. The rule’s the same for parcels, except with them it’s only five days a week. This is the universal service obligation, the USO – ‘part of our economic and social glue’, as Richard Hooper puts it in the reports that have framed the debate over the Royal Mail’s privatisation.

There have always been a few exceptions. Muck, a Scottish island two and a half miles long to the south of Skye, is one. There are 12 households on Muck and they get mail when and if the ferry arrives from Mallaig. ‘Obviously we are very expensive to the Royal Mail to deliver to,’ MacEwen said. Bad weather can cut the ferries down to one a week in winter. There have also been times – it happened the other day – when the MacEwens put a first-class letter on the early ferry and it reached London the next morning. But Muck now has a satellite dish for broadband internet. You can even catch a mobile signal in some parts of the island. ‘Nowadays email’s so important for communication that the post is getting less and less important,’ MacEwen said. ‘I’m afraid the Royal Mail’s in a losing battle.’

If the battle is about keeping the USO – and that is the way Hooper puts it – it is underway. At the other end of the British archipelago from Muck, the postal service on Jersey, where Anthony Trollope carried

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out the first trials of pillar boxes in 1852, has just announced it is abandoning Saturday deliveries in an attempt to staunch the flow of red on its balance sheet. Five days a week is the current Europe-wide minimum for the USO, according to the most recent postal directive from Brussels. But TNT has been lobbying hard to get that minimum reduced, and the company says it is not alone. Last year Pieter Kunz, head of TNT's European mail operations, described the USO as 'a kind of Jurassic Park, and we should get rid of it.' It is easy to imagine, five years from now, the right-wing British media blaming Eurocrats for cutting the number of weekly deliveries – 'BRUSSELS SOUNDS LAST POST FOR DAILY MAIL' – and a future private Royal Mail, with quiet relief, following the Dutch lead. 'If TNT has its way, five days would be reduced to three,' said John Baldwin, the CWU's head of international affairs. 'TNT is the bogeyman of the postal industry but they are not alone. Royal Mail, frankly, isn't going to argue if it's going to be released from the five-day obligation.'

Richard Hooper's first report recommending part-privatisation of the Royal Mail was produced for Labour in 2008; the second, endorsing a sale or flotation, for the Con-Dem coalition in 2010. Both said modernisation and privatisation were essential to stop Royal Mail going bust and to save the USO. Hooper One was unequivocal: 'Now is not the time to reduce the universal service. Reducing the number of deliveries each week ... would be in no one's best interests.' Hooper Two was less sure. There was no case for cutting the service, it said, until the Royal Mail was fully modernised. But then, cutting it 'might be justified'. In both reports, Hooper expends much ink and anguish over the highly technical



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rules that force Royal Mail to deliver the bulk mail its competitors sort at a certain price: a price, Royal Mail says, that obliges it to deliver at a loss. Certainly there's no sign of Royal Mail's competitors looking to recruit private postmen, which suggests that – although they'd never admit it – they're getting a bargain from using the state postman's shoe leather. 'The general public is not ready to have anybody else delivering to their door. Actually providing a service where Royal Mail ends up delivering it is perfect,' Royal Mail's rival Buswell purred. I'm a real fan of Royal Mail and I don't believe anybody else should walk the streets and make deliveries.'

Hooper is right in that Royal Mail is in a fight for survival with new media, the world of words not written on paper, weightless electronic words. As with music and newspapers, so with letters. It is in a fight with competitors who get guaranteed access to its reservoir of postmen as if they were a water or gas supply. But it is also the subject of a third kind of competition, between two utterly different sets of customers with incompatible needs. A few hundred giant firms and organisations which want to send bursts of millions of letters and catalogues every few days are competing for the same set of postal workers with millions of people who want to send a few Christmas cards and once in a while something that needs signing. In this competition the power lies with the few, whose priority is cheapness, rather than the many, whose priority is regularity and universality; cheapness wins, and it is the postal workers who suffer.

There's a strange blip between the two Hooper reports. Hooper One is full of laudatory references to the old Dutch and German postal monopolies, TNT and

Deutsche Post DHL, which privatised, then modernised, then became free-market champions. There's a chart showing Royal Mail bottom of the class in Europe in terms of profit in 2007, with TNT and Deutsche Post leading the pack, raking in the euros. Two years later, Hooper Two is strangely quiet about the German and Dutch mail stars. No wonder: the equivalent chart for 2009 shows that TNT and Deutsche Post averaged profit margins of only 3.25 per cent, less than Royal Mail.

The bitter postal rumble between the Netherlands and Germany in the late Noughties may have had nothing to do with these figures, but it looked like the symptom of something rotten. When I say bitter, I mean bitter. TNT's Almast Diedrich was courteous in the face of my rather cheeky questions about the company's activities in Britain, but when I asked about one particular German attempt to block TNT's expansion east, his mouth twisted into something almost like a snarl. 'What Deutsche Post did was very clever,' he said between his teeth, 'and typically German.' What the Germans did was not so different from what the Dutch did: they tried to protect their decently paid former state postmen from low-wage competition in their home country, while setting up networks of low-wage private postmen to undermine the former state post in the country next door. At one point, Diedrich said, TNT managers called the offices of the German postal union, noted their principled stance in defence of well-paid Deutsche Post mailmen in Germany, and asked when they were going to take a similar stand in defence of appallingly paid Deutsche Post mailmen in Holland.

'It's very interesting that the Germans compete with the Dutch in Holland not on product, not on the number of days



"o convince ordinary postal workers that they need to take part in a European strike to protect postal services across Europe would be incredibly difficult"

they deliver: they compete solely on wages,' the CWU's Baldwin said. 'And in Germany, the Dutch compete with the Germans solely on wages. And both of them cry like stuck pigs about the other.'

Why, I asked Baldwin, did multinational companies find it so easy to move across European borders, but unions seemed only capable of acting nationally? Why hadn't the postal unions across Europe mounted multinational protests against the casualisation of the post?

'It's partly because everything happened piece by piece,' he said. 'Every country is suffering a loss of postal workers' jobs, partly due to the financial crisis, partly due to e-substitution, partly due to increased automation. Almost all of these countries are managing their reductions by early retirement, voluntary redundancy, redeployment, so the actual impact on any given day just is not the same. To convince ordinary postal workers that they need to take part in a European strike to protect postal services across Europe would be incredibly difficult. Unless they're hit in their own pocket, today, your average worker goes to work for one reason: they don't go to work to worry about the future of the postal services in 20 or 30 years' time.'

While I was in the Netherlands, the Dutch parliament's pressure on the low-wage postal companies, which had been building for years, finally forced them to make a deal. In the small hours of the morning they agreed with the unions that by the end of September 2013, 80 per cent of all postal workers in companies like Sandd must be on proper contracts, meaning they gain some degree of social protection. One of the companies was Netwerk VSP, TNT's low-wage postal subsidiary. Almast Diedrich was the highest-ranking executive prepared to talk to

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me; the most senior bosses were preparing for the final stage of TNT's break-up, which will strip the former Dutch post office of the racier acquisitions it made when it was the darling of the markets. I met him in TNT's headquarters on Prinses Beatrixlaan in the Hague, which with its aspirational office blocks, multi-lane highway and elevated tramway has a sort of Pacific Rim vibe. I asked him about the deal with the unions, and he fessed up. 'Yes, we underpaid, if you want to call it that, in the same way that others did. From early on we said when others agree to come to a labour agreement we will follow. We would not take the lead.'

On the other side of the road, in the lobby of a luxury hotel, I met Egon Groen, one of the union leaders who put his signature to the deal with employers. It was late Friday afternoon and a group of young salarymen were ordering a round of what Joseph O'Neill called 'the gold-and-white gadgets that are Dutch glasses of beer'. Groen stood out with his hoodie and his exhaustion.

'The TNT strategy was "We want to be one of the big players, like FedEx or UPS," and it failed, of course,' he said. 'If you have to split up it means it didn't work. In the end the shareholders were not benefiting and nor were the employees. So there were just a few managers who had a nice adventure and it didn't work out.' The winners from Holland's liberalisation of the postal market, he said, were the big organisations who bulk mailed. 'The losers? Almost everybody else. TNT, the new postal companies, the workers, the government. They liberalised the market and they've had a headache for five years and it's not over yet.'

TNT did experience a postal strike last year, after workers balked at union leaders' negotiation of a 15 per cent pay cut.



One of the burdens Royal Mail has to carry is the weight of its own pension scheme, which is chronically underfunded, to the tune of £8 billion

But Groen has no illusions about the way things are going for paper mail. 'Postal volumes are going down much faster than expected. Substitution by email is going up much faster than expected. We had to fill in our tax forms by today so I guess everyone's doing it on the internet.' Yet Groen is optimistic about the future for the luggers, the heavers, the hefters and the trudgers of society. 'About a third of the workforce is going to retire in ten years. That will be a huge problem which will give people like the private postmen you met more chances. Employers won't be able to be so choosy. We can't import two million people from Ireland or anywhere else. The price of labour will go up.'

There is a moment in complex thrillers when the protagonist, having removed successive masks from various suspects, removes the final mask and finds himself looking at his own face. One of the burdens Royal Mail has to carry is the weight of its own pension scheme, which is chronically underfunded, to the tune of £8 billion. The bill now going through Parliament to flog the company off has at its heart the transfer of pension liabilities from the Royal Mail Pension Plan (RMPP) to the government. But for the time being, the RMPP invests in bonds, shares and other assets like any other pension fund.

Browsing through the latest reports from RMPP and TNT, I noticed the same name crop up: BlackRock, the gigantic New York-based investment company. BlackRock manages some of the money that supports Royal Mail's pensions. It is also one of the largest holders of voting rights on the board of TNT – Royal Mail's rival. In the world of pensions, there's nothing technically improper about this. Pension funds aren't allowed

to discriminate against competitors when they choose where to invest. Besides, according to a spokesman for the pension plan, BlackRock doesn't invest any of the pension plan's money in TNT. Nonetheless, the fact that the same money-managing outfit influences the destiny both of Royal Mail and of TNT is an uncomfortable reminder of the amorphousness of capitalism, and an indication, perhaps, of why the CWU is finding some of its most unlikely allies among old-fashioned Tory MPs. Concepts of 'Dutch' and 'British' lose their meaning. Only 8 per cent of TNT's shareholders are Dutch; 70 per cent are either North American or British. Through their relatively generous pension scheme, British postmen are capitalists too. Behind that vast, formless body of global capital that shoves companies around, sweats their assets for better re-



Only 8 per cent of TNT's shareholders are Dutch; 70 per cent are either North American or British

turns and drives down the wages of postmen is a great grey-haired host of pensioners – including former postal workers – who need the dividends to eke out their 30-year retirements; to pay for their postage stamps.

One morning, on one of the canals in the exquisite Dutch city of Delft, home of Vermeer, I watched a TNT van crawling along. Every so often the driver would stop, get out, deliver a package to one of the handsome brick houses, and move on. A few minutes later, a second postman followed in his wake, on foot, in the blue uniform of Sandd, trudging along with his heavy sack. Just 20 yards further down the canal, a group of about a dozen retirees, fit, alert, eager, well-dressed, were enjoying a tour guide's presentation. They looked as if they were having a wonderful time.

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