



Extract of International Viewpoint - online socialist magazine

<http://app.internationalviewpoint.org/spip.php?article1818>

Europe

# Postal workers have to pay for privatization

- IV Online magazine - 2010 - IV421 - February 2010 -

Publication date: Saturday 13 February 2010

## **Description:**

Grenzeloos, journal of SAP, the Dutch section of the Fourth International, looked across Europe to ask to what extent the current state in the privatized postal company is particularly Dutch.

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**It's 1989, PTT Post, the Dutch state-owned postal company, is privatized. During the following years the company is split up in different parts responsible for postal deliveries, telegraph and telephones. The different parts are made independent and the stocks are sold on the market. The post is not the only publicly owned or controlled company that is privatized and sold off. The Dutch railways, the former state-owned mines - now a chemicals company - and public services follow. Neoliberalism and all it entails has become the dominant way of thought.**

Twenty years after the privatization of PTT, now named TNT Post, the bosses are on a collision course with the employees and trade-unions. Either the employees accept a 17.5 percent cutback in wages or 11.000 people will be fired. The postal workers refuse to accept this and demand a 1.5 percent wage increase.

The Netherlands takes the lead in privatization. Dennis de Jong, a member of the European Parliament for the Socialist Party, doesn't hide his annoyance; "The European Union decided that of the first of January 2011 postal companies have to be privatized. The Netherlands are rushing ahead of European policy, its part of the vanguard in privatization."

In Belgium the pace is slower; "the postal business is not yet privatized, the state owns 51 percent of the stocks and a British bank insurance group owns the rest. But the prospect of the arrival of new, private owned businesses in 2011 has lead to significant changes over the past few years", says Serge Alvarez-Fernandez from Brussels. He has been working for the postal company for over twenty years. The post market is not completely open in Belgium but private companies are allowed to deliver express mail and packages. The most important competitors in this new market are DHL, FedEx and the Dutch TNT.

The situation in Britain is comparable to that in Belgium. Pete lives in London and has worked for twenty years at the British Royal Mail; "Royal Mail is still state-owned but over the last few years liberalization is implemented bit by bit." Parts of the postal delivery are taken care of by TNT and the German Deutsche Post. Peter; "neither of these companies has the infrastructure necessary to take care of door-to-door deliveries. They sort mailings of big companies - they have the actual delivery done by Royal Mail."

The French postal company is also still state-owned. Christophe from Paris has been working for sixteen years at the postal company. "If you judge them on basis of their discourse, all of the political parties, including the right-wing ones, are opposed to privatization. But the right-wing parties and the social-democratic Parti Socialiste have agreed that it's necessary to 'modernize' the postal company."

The privatization of the postal company in the Netherlands had important repercussions on the wages and working conditions. Rob van der Post is 54 years old and has been working for the PTT and TNT since he was seventeen years. "The liberalization of the postal market has opened the door for companies like Sandd and Selekt Mail. By allowing this, the wages and working conditions of the postal workers are endangered. The government can not force companies like these, we call them 'the cowboys of the postal market', to pay decent wages. In order to compete with them, TNT has started its own second-tier delivery, Netwerk VSP. That is a fully owned subsidiary of TNT. The result of this is that TNT is destroying the old company. TNT itself is partly responsible for a damaged business and the decrease of mail that's delivered by TNT."

Shortly before Christmas, the postal companies Sandd and Selekt Mail successfully took the state to the court. These

two competitors of TNT pay their employees not per hour, but pay piece wages. Frank van Heemskerck, Minister for Foreign Trade, tried to change this because in the current set-up, postal workers have very few rights. This is why Van Heemskerck obliged the postal companies to give ten percent of the postal workers fixed contracts before the first of April, 2010. At the end of 2012, this percentage had to increase to eighty percent. But because of the judge's ruling, the 'cowboys' can continue to pay their employees piece wages.

## Laying off full timers

We can see a tendency in the Netherlands of TNT getting rid of full-timers and replacing them slowly with precarious workers like part-timers and temps. Often these are young people and women or pensioners looking for a way to augment their income. Because these workers don't rely primarily on their work at the post they are also less inclined to get organized or make offensive demands. By dividing the jobs and responsibilities TNT can pay part-timers less.

Rob van der Post: "TNT Post declared to the media that in six years time, it will not have any full-time employees left. Members of parliament now say the post market is damaged by a race to the bottom. But wasn't this the goal of liberalization all along? For employees of both TNT and the mew companies, things have not improved. And the Dutch public notices a decrease in the quality of postal delivery service, sending a letter has not become faster or cheaper."

Not only is the composition of the workforce changing, the employees are more and more pressured and intimidated by their bosses. "The management is very quick to use disciplinary measures against the workers. For the smallest 'misdemeanor', they withhold an hour's wages. You can only use the bathroom if the team leader gives you permission, it's not allowed to talk and you're not allowed to eat during working hours. The managers, not the doctor, decide whether somebody is ill or not."

At present, sixty percent of the postal workers in Belgium are government employed. Since a few years temporal contracts are no longer changed into fixed contracts and employees leaving the company are replaced by temps. In France, sixty percent of the employees have a fixed contract but La Poste has not taken in new employees with a fixed contract since 2002. Christophe; "Each year, jobs disappear. Subsidiary Mediapost only recruits part-timers. In certain subsidiaries employees are paid piece wages. At Colipost the employees have to use their own cars to deliver mail."

## The role of the trade-unions

Since a few months ago, postal workers in the Netherlands have been increasingly demanding action and there is dissatisfaction among postal workers in other countries as well. Pete; "Royal Mail is trying more and more to work with part-timers. They are partly succeeding in this but the trade-union is opposed and the majority of the postal workers are still full timers. Members of the Communication Workers Union (CWU) were involved in a large conflict over threatened job losses. There were no negotiations and strikes were organized. These started out as local strikes and slowly became national relay strikes. Many people are afraid that if Royal Mail succeeds in employing more and more part-time postal workers this will open the way for complete privatization."

There are also strikes in Belgium. "The Post wants to replace the current employees with part-timers that work three hours a day for a smaller salary", says Serge Alvarez-Fernandez. "Both the Christian trade-union CSC/ACV and the social-democratic PMB/ACOD support the actions of the postal workers but they don't coordinate them. The Flemish

parts of both trade-unions have agreed to a new collective agreement on working conditions and wages and this has crippled possibilities of action in Flanders."

On the surface, everything is calm at the TNT in the Netherlands but there is a lot of dissatisfaction in the company. The employees are more and more demanding that the trade-unions take action. Van der Post, "The unions both want to preserve jobs and gain new members in the new postal companies. As long as the unions don't take the initiative, there won't be any strike action." The prospects for action are further hampered by the fact that there are two trade-unions organizing postal workers. ABVAKABO FNV, the trade-union for government workers, organizes the employees of TNT since it used to be state-owned. FNV Bondgenoten organizes the employees of the new companies. Neither of the unions organizes support for each other. Dennis de Jong affirms the bleak picture the postal workers paint; 'At TNT you see what happens when something is made into a market that should have remained a public service. After the privatization TNT is at risk of being chopped up in bite-size portions for venture capital.'

## Prospects

The future of the Belgium Post is unclear. De Post is required to deliver mail daily in the whole of the country whereas under the new laws the new companies are allowed to deliver mail twice a week and only to parts of Belgium. Alvarez-Fernandez, "This puts De Post in an economically difficult position. Under these conditions, it's going to be hard to compete with the new companies."

The only British trade-union with significant support of postal workers is the CWU. The union has always fought attempts of both Tories and New Labour to privatize the postal company. Officially, Labour is opposed to privatization but its policy gives a different picture. "Earlier this year Labour tried to privatize a part of Royal Mail but this has been postponed. The Tories and Libdems are in favour of complete privatization."

Prospects in France remain unclear as well. Christophe, "Left-wing parties like the CP and the NPA and the trade-unions defend the idea that the post should be a public service and are opposed to privatization." [1]Dennis de Jong; "It's possible that the French government will privatize the post but hold on to a majority of the stocks. But the EU will still demand that competitors are allowed to operate."

At the end of last year, some people claimed that with the crisis neoliberalism was finished. The opposite seems to be true - a new wave of privatization, further flexibilization and tearing down of social security and collective insurances is waiting for Europe. Knowing this, it's urgent that trade-unions start putting their activists into contact with each other. Any movement starts with informing people and exchanging information. How hard can it be for the European trade-union movement to facilitate an international network in this digital age? A network not just for the organizations themselves, but for members and activists. Knowledge of the similarities all over Europe and international contacts will help employees to exchange experiences of struggle and know they are not alone. Any movement has its own dynamic, and this can take effect across borders.

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[1] A broad campaign bringing together the left-wing parties from the NPA to the SP and the trade unions actively mobilised public opposition to the new law on the status of the Postal service. On October 3rd 2009 over 2 million people participated in a "citizens' vote" organised in front of town halls and post offices. Over 90% voted against the new law. On 15th December, Olivier Besancenot, NPA spokesperson and postal worker, was among postal workers protesting in front of the National Assembly. As they climbed on the statues to dress them up as postal workers ("they're changing our status, we'll change their statues") they were violently prevented by the police. Besancenot was subsequently treated in hospital and put on sick leave for an injury to his hand. **PD.**