

A Call to Protect Vital Services for All Canadians

The Canadian Postal Service Charter outlines the Government of Canada's service expectations for Canada Post, emphasizing the need for postal services that remain universal, affordable, reliable, secure, and responsive to the needs of Canadian consumers.

Canada Post is more than a postal service; it is a crucial public institution that has connected Canadians for over a century. However, ongoing discussions about privatizing the Crown corporation have surfaced, with proponents claiming that privatization would enhance efficiency and reduce costs. It is vital to carefully assess the broader implications of such a move on Canadian society, the economy, and the public interest.

Canada Post Agenda on Postal Service Sector

- Since 1997, "Pro-competitive" rules on governments' regulations have been pushed by transnational companies to tweak public postal and many other service sectors in international trade treaty negotiations to be liberalized and therefore privatized. This agenda derived from the 1997 General Agreement on Trade in Services (GATS) Telecommunications Reference Paper (TRP), which multinational companies in the private sectors and their advocates target public postal companies to make them abide by the market forces instead of providing important public services as expected by the end-users¹.
- Canada Post is not spared by this neoliberal proponent's agenda that is being slowly and surely implemented by the current Canada Post management, which is claiming that the only way of saving the Corporation from the current financial struggle is to revamp its business model by introducing their so-called "flexibility" that wants to rely too much on part-time workers to increase its stake in the delivery sector.

- Research by the International Labour Organization (ILO) in 2021 highlighted that privatization trends often lead to reduced employment standards, worsening working conditions, and social inequalities. When public postal services are shifted to private hands, workers face diminished job security, fewer benefits, and longer working hours—all of which undermine the goal of public services being equitable and accessible for all².
- Is Canada Post Management's plan undermining the public service mandate and jeopardizing accountable and democratic regulation in the service sector? This question deserves to be unequivocally responded to, ringing the bell for Canadians and the federal government that owns the Crown Corporation.

Canada Post Agenda on Postal Service Sector

- The previous and current rounds of negotiations with Canada Post show clearly that Canada Post management has manufactured a business plan seemingly inspired by “Pro-competitive” agenda proponents, which aims at forcing the federal government to privatize or de-regulate this important Crown Corporation at the expense of Canadians who heavily rely on a public postal service that is inclusive and serves urban, rural, and remote communities equally.
- In research conducted by the Canadian Centre for Policy Alternatives (CCPA), studies have shown that privatization strategies do not necessarily lead to service improvements. On the contrary, privatization and deregulation typically reduce the affordability and availability of services for marginalized communities, particularly in rural and remote regions. The CCPAs research on Canada Post found that a public postal service must focus on service inclusivity and accessibility for all Canadians, irrespective of their location³.
- Workers must fight this Canada Post agenda by proposing realistic alternatives that will keep Canada Post public and sustainable instead of becoming a business or commercially driven entity.

*Privatization and Deregulation of Canada Post
is Not a Solution to its Financial Issues*

- According to privatization's supporters, this shift from public to private management is so profound that it will produce a panoply of significant improvements: boosting the efficiency and quality of remaining government activities, reducing taxes, and shrinking the size of government. In the functions that are privatized, they argue, the profit-seeking behavior of new, private sector managers will undoubtedly lead to cost-cutting and greater attention to customer satisfaction.
- Research by the Harvard Kennedy School of Government published in 2022, however, showed that privatization can often lead to inefficiencies and service deterioration, particularly in sectors that have a significant social value, such as postal services. One critical issue with privatization is the difficulty in ensuring equity in service delivery. Many private operators focus on profitable urban areas while neglecting rural and remote communities, where services are often most needed⁴.
- This growth of privatization has not, of course, gone uncontested. Critics of widespread privatization contend that private ownership does not necessarily translate into improved efficiency. More importantly, they argue, private sector managers may have no compunction about adopting profit-making strategies or corporate practices that make important services unaffordable or unavailable to large segments of the population. A profit-seeking operation may not, for example, choose to provide health care to the indigent or extend education to poor or learning-disabled children or provide effective delivery of parcels and letter mails in remote, rural areas and underprivileged communities.
- In the research conducted by the Institute for Public Policy Research (IPPR) in 2023, the institute argues that the privatization of postal services, such as the Royal Mail in the UK, has led to significant systemic service disruptions, particularly in rural areas. This is due to the increased emphasis on profit-maximization at the expense of broader social needs⁵.
- Privatizing Canada Post means a deliberate decision to divide Canadians, isolate the rural population, and deprive them of a high quality and accessible public service. The rural population varies by region, with the Atlantic provinces and territories having the highest proportion of rural residents. For example, almost half of Atlantic Canadians live in rural areas, while less than 10% of British Columbians do.

- Research on the implications of privatization for rural Canadians by the Rural Policy Learning Commons (RPLC) in 2021 found that privatization of public services disproportionately affects rural and remote regions, as private entities are less likely to service these areas due to lower population density. As a result, rural communities face higher costs and diminished access to important public services like mail delivery⁶.
- The Royal Mail's recent change of ownership shows clearly that a public postal service should be the norm rather than a private one. For example, prior to agreeing to Royal Mail privatization, “EP Group agreed to a series of undertakings to persuade the British government to let the deal through. These included retaining the universal service obligation for a first-class postal service to anywhere in the country for a fixed price six days a week.”
- The Federal Government of Canada should be warned by the Royal Mail precedent and compel Canada Post upper management to explore and create new sources of revenue to stop Canada Post's financial struggles.
- Canada Post upper management should be held accountable for the Corporation's financial struggle since 2018 as they expressly refused to increase stamp prices as they knew that with the rise of digital services, between 2019 and 2021, letter post volumes declined globally by 13.6 percent. According to the Universal Postal Union's (UPU) most recent estimations, global postal revenues stemming from parcels and logistics have reached a tipping point where they are larger than letter-post revenues for the first time in 147 years of UPU postal statistics⁷.

Canada Post Upper Management Should Have Put in Place a Multi-Business Model

- Many studies suggest that diversifying services is critical for sustaining public postal services in the face of declining letter volumes. For example, in countries like Japan and France, where postal banking has been integrated into postal services, it has not only mitigated financial challenges but also expanded accessibility to vital financial services for underserved populations.

Canada Post's Importance as a Public Service

- Many small businesses rely on Canada Post. The reason is simple: Canada Post, as a trusted Canadian brand, delivers anywhere and everywhere while saving small businesses on domestic and international shipments as compared to private competitors.
- Recent research by the Small Business Administration (SBA) also supports these findings, showing that Canada Post plays an indispensable role in the growth and sustainability of small businesses, particularly in rural and underserved communities⁸.

Public Support for Canada Post

- A 2019 poll by Angus Reid found that a majority of Canadians, about 60%, oppose privatizing Canada Post and believe that it should remain a public service⁹.
- Another 2018 poll by Mainstreet Research showed that 72% of Canadians preferred that Canada Post remain a publicly owned entity because of the important services it provides to both rural and urban communities¹⁰.
- A 2022 study by Environics, titled Indigenous Peoples' Views on Canada Post Services, reveals that Indigenous communities hold Canada Post in high regard. Over 70% strongly agree that it is an important service for all Canadians (77%) and for themselves personally (73%). These communities express significant satisfaction with Canada Post's offerings, with 88% reporting overall satisfaction—54% of which are "very satisfied." The highest satisfaction is seen in the receipt of mail (86%, with 57% "very satisfied"), while parcel delivery receives slightly lower ratings (80%, with 43% "very satisfied")¹¹.
- A separate study, Canadians' Views on Canada Post Services, shows that 83% of Canadians express overall satisfaction with Canada Post's services, although this figure represents a decline from 91% in 2016. Satisfaction remains high regarding the frequency of mail delivery (87%, compared to 91% in 2016) and the location where mail is received (85%, down from 88%). About 75% of Canadians express satisfaction with parcel delivery (79%, consistent with 81% in 2016), but satisfaction with the speed of mail delivery has decreased (75%, down from 85% in 2016).

- According to a 2022 study by Earncliffe Strategy Group, Canadian Businesses' Views on Canada Post Services, nearly all businesses (91%) report satisfaction with Canada Post's services—an improvement from 83% in 2016. Satisfaction with specific aspects of service is high, ranging from 91% for the frequency of mail delivery to 77% for parcel delivery. Additionally, 90% of businesses are satisfied with where they receive their mail, and 82% are satisfied with the speed of mail delivery. Larger businesses are more satisfied with the speed of mail delivery (92%) compared to smaller businesses. When it comes to value for money, Canada Post excels, with 86% of businesses rating letter mail delivery as "very good" value. Parcel and admail services also receive favorable evaluations (79% and 72%, respectively). However, smaller businesses tend to be less impressed with the value for money in letter mail delivery (82%). Despite some variations, the study clearly affirms that Canada Post remains an indispensable service for Canadian businesses¹².

Canada Post Expansion of Services as a Credible Alternative for its Survival

- The expansion of services as part of a multi-business model can help Canada Post be a resilient and sustainable public service. Without the expansion of services, the Crown Corporation will resort to its usual refrain of insisting on unnecessary job cuts, the cessation of unprofitable activities, and increased incentives for managers to maximize shareholder value.
- A 2020 study from the Postal Services Development Institute found that expanding services such as postal banking and offering financial services is a sustainable model for growth. Over 90% of postal systems globally are increasingly relying on financial services to offset declines in traditional postal revenues¹³.
- Postal banking in Canada is still a niche, but it is a service that could ensure financial inclusion for customers in remote, rural, and traditionally marginalized/underserved communities.

Access to Services in Rural and Remote Areas

Canada Post plays a critical role in rural areas:

- Canada Post serves over 14,000 rural and remote communities across Canada. These areas often lack access to banking, government services, or even retail stores, and Canada Post is often the primary provider of these services.

- Postal banking could also play a role in offering important banking services to underserved populations. In France, Japan, Austria, Croatia, India, Switzerland, and many other countries, public postal services have successfully integrated banking services to support financial inclusion. Findings show that with more than 90 percent of posts worldwide offering financial services, postal operators provide 1.5 billion people with access to basic financial services (payments, money transfers, and savings)¹⁴.

Comparative Studies

- Research comparing public postal services to private ones (like UPS or FedEx) shows that public postal systems, such as Canada Post, tend to provide more affordable and widespread coverage, particularly in rural areas.
- A 2014 study by the Public Service Alliance of Canada (PSAC) revealed that privatized postal systems often focus on profitability rather than meeting the universal service obligations of serving people, leading to disparities in service quality¹⁵.

CUPWs Commitment to Job Security and Service Expansion

- Canada Post workers, through CUPW, have long been advocates for job security and better working conditions. CUPW has consistently fought for stable, well-compensated jobs for postal workers and has proposed several innovative ideas, such as postal banking, insurance, electric vehicle charging stations, and senior check-in services to expand the corporation's services. These initiatives would provide new revenue streams, protect jobs, and ensure that Canada Post remains a stable and sustainable public service.
- CUPW's commitment to protecting jobs goes beyond collective bargaining – it is about ensuring the long-term relevance of Canada Post as a reliable service provider for the Canadian public. The Union's fight for job security is intrinsically tied to the broader objective of ensuring the public's access to affordable, universal services. In an era of economic uncertainty, securing job stability and providing high-quality service are not mutually exclusive but are important to the future success of Canada Post.

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