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By Private Eye (In the Back)

Last year's Royal Mail strikes responded to an ongoing attack on postal workers' conditions, the origins of which can be traced directly to the competitive, 'harmonized' market being gradually introduced under the EU Postal Directives of 1997 and 2002. The threatened closure of post offices across the UK also falls within the Directives' market logic. (It remains to be seen if local post office user campaigns, whose bandwagon now groans under the weight of Ken Livingstone and a posse of embarrassed/embarrassing Labour MPs, will manage to organize in solidarity with the Royal Mail workers.) This Private Eye squib mentions the workers only in passing and the Directives not at all, but it draws attention to an important mediating stage in the restructuring: the banker-run Shareholder Executive, created in 2002 to subject the UK's remaining state-owned companies to the ultra-short-term criteria of 'shareholder value'

Shareholder Executive

BIG CHEQUES IN THE POST

Where did the ruthlessly commercial approach to Britain's post offices, and with it the massive closure programme, come from?

The current policy originates in the government's Shareholder Executive, announced by Gordon Brown in 2002 with the task to 'better fulfil [the government's] role as shareholder' of 25 publicly-owned companies like Royal Mail. Its target, on which the bosses' bonuses depended, was to increase the value of the six largest companies by £1bn by 2007.

Out went any notion that public corporations were also there to provide a public service. The men brought in for the job, first led by ex CSFB investment banker Richard Gillingwater and now by former Deutsche Bank analyst Stephen Lovegrove, duly hit the target.

This was achieved largely by boosting the financial (if not service) results at Royal Mail following the installation of senior management, including chief executive Adam Crozier, on multi-million bonuses for boosting profits, without penalties for service shortcomings. Unsurprisingly, under Crozier and Co, closures and redundancies have been the order of the day.

Not only do the Shareholder Executive bosses have a financial interest in slashing postal services, they are responsible for the advice ministers get on the Post Office generally, somewhat compromising the neutral, objective traditions of the civil service. Small wonder the result was a sweeping programme to close 2,500 post offices judged by the suits to be surplus to requirements.

When commons public accounts committee chairman Edward Leigh MP asked then-Shareholder Executive boss Martin Bryant last year if he was therefore 'responsible for trailing a blaze [sic] of destruction across my constituency', Bryant replied, 'I could not possibly answer that, sir'. A correct answer might have been a simple 'yes', though ultimate responsibility rests with the man who decided six years ago that bankers should be brought in to put the squeeze on public companies.