Universal Postal Union
International Bureau

CONCEPT PAPER

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For

CARICOM REGIONAL SYMPOSIUM ON SERVICES

SAINT LUCIA, DECEMBER 2008

1   Introduction

The Universal Postal Union is a specialized agency of the United Nations with membership of 191 countries. It is the primary forum for cooperation between postal sector players and helps to ensure a truly universal network of postal products and services. The organisation fulfils an advisory, mediating and liaison role, provides technical assistance where needed, and sets the rules governing international mail exchanges.

For the purposes of UPU development cooperation, the Caribbean region of the UPU consists of 21 UPU member countries[1]. Caribbean countries which are not included in this list either belong to the UPU South American region (for reasons of language) or are administrative dependencies of other countries[2].

The regional organization which assembles the greatest number of countries of the region is CARICOM, the main purposes of which are to promote economic integration and cooperation among its members, to ensure that the benefits of integration are equitably shared, and to coordinate foreign policy. Its activities for the creation of a Caribbean Single Market and Economy, and in particular freedom of movement of labour, capital and goods are expected to impact postal services which will need to reinforce their regional strength in order to withstand global competition

All countries of the region, plus the Dominican Republic, are members of the Caribbean Postal Union (CPU) – one of the newest restricted unions in the world - whose central objectives are to strengthen and improve postal services throughout the Caribbean. Additionally, four countries of the region are members of the Postal Union of the Americas, Spain and Portugal (PUASP).

This paper examines the postal sector in the Caribbean region as a background for its inclusion in the national and regional development plan to ensure its survival and sustainability in the global postal network.

2   Overview of the global postal network

The global postal network of which the Caribbean region is part is committed to an affordable, accessible universal service treating the world as a single postal territory for the reciprocal exchange of communications items. This network with six hundred and sixty thousand post offices and eleven million employees continues to evolve and develop through the use of modern technology, operating systems and methods in order to ensure its viability and sustainability. It is also ideally placed to help build the necessary infrastructure on which to base an integrated information society. Its importance to social and economic development, and communications and logistics

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[1] Anguilla, Antigua and Barbuda, Bahamas, Barbados, Belize, Bermuda, , Cayman Islands, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Netherlands Antilles and Aruba (each has a designated operator), Saint Christopher (Saint Kitts) and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, Turks and Caicos Islands and Virgin Islands.

[2] a) Independent states (classified with the UPU Latin American region): Cuba, Dominican Republic;
b) French overseas departments / regions: Guadeloupe, Martinique, Guyane (French Guiana);
c) French overseas departments / collectivities: Saint-Barthelemy, Saint Martin;
d) Autonomous territory of the Kingdom of the Netherlands: Sint Maarten;
e) Dependency of the United States: Virgin Islands (US) Saint Croix, Saint John and Saint Thomas).
Note: Anguilla, Bermuda, Cayman Islands, Montserrat, Turks and Caicos Islands and the British virgin Islands (along with other non-Caribbean territories) are designated the Overseas territories of the United Kingdom of Great Britain and Northern Ireland. Together they constitute one joint membership of the UPU. As such, they are included in the UPU Caribbean region

development is undisputed as it is a major provider of jobs and a large revenue generator.

Internal and external forces present challenges and opportunities to the postal sector and its operators. Changing rules and regulations have given rise to new methods of conducting postal business such as the need for postal services to operate commercially.

The rapidly developing communications industry challenges the postal network to keep pace with technological developments and adapt to rapid economic and social changes. As global economic models move toward liberalization, implications for direct access, standardization of quality performance and payment methods evolve.

The network also faces security challenges because of the probable introduction of sophisticated methods in the vulnerable links of the system to facilitate entry and nefarious trade.

Bi-lateral and multi-lateral treaties among member states, association with airlines, customs and law enforcement agencies also challenge the global network.

3   Analysis of the postal sector in the region

The fact that most countries of the Caribbean region are small island developing states (SIDS), means that their postal administrations have to contend with a number of challenges which continental administrations do not, namely relative remoteness and isolation, to which should be added their proneness to natural disasters, which all serve to hamper their competitiveness and economic development.

Post offices in the Caribbean are mostly structured as civil service departments or government owned corporations and are basically seen as social services provided by governments and not national institutions for socio-economic development. (Table 1 shows the structure of post offices in the Caribbean).

Table 1: The structure of Caribbean Post Offices

Postal administrations transformed into public corporations		Postal administrations operating under a ministerial department		Countries with regulatory authorities
– Aruba – Grenada – Guyana – Netherlands Antilles	– Saint Vincent and the Grenadines – Suriname – Trinidad and Tobago	– Anguilla – Antigua and Barbuda – Bahamas – Barbados – Belize – Bermuda – British Virgin Islands	– Cayman Islands – Dominica – Haiti – Jamaica – Montserrat – Saint Kitts and Nevis – Saint Lucia – Turks & Caicos	– Netherlands Antilles

The nature of the cultural, geographic, development and economic differences makes it difficult to follow a consistent postal policy which is applicable across the board.

The drivers for postal reform in the Caribbean are similar to the drivers of change elsewhere. Improvement in the standard of living across the region has heralded a rise in commercial activity. The trend towards e-commerce has seen a proliferation of new entrants in the domestic market.

Globalization and neglect of the region's postal sector, has resulted in stiff competition in all premier services and products, followed by a downward spiral in the efficiency and effectiveness of state owned postal service versus an increase of market share by private owned service providers.

The majority of countries have no legal standards in the national legislation defining the country's basic range of Universal Postal Services (UPS) in accordance with the Universal Postal Convention or specific regulations stipulating the conditions of service. For the most part, the regulatory function and its associated legal provisions remain to be developed in the region.

Some postal operators do not have the institutional capacity to respond to customer needs. Under-investment in infrastructure, technology and human resources has affected a certain number of Caribbean postal services adversely, as have physical factors such as the relative remoteness and isolation of the countries and territories of the region and their proneness to natural disasters.

Such a situation threatens to tip a postal operator into a vicious cycle: underinvestment leading to poor service quality, and then a reduced market share resulting in poor economic performance, as illustrated in the following diagram.

Chart 1: The Vicious Cycle
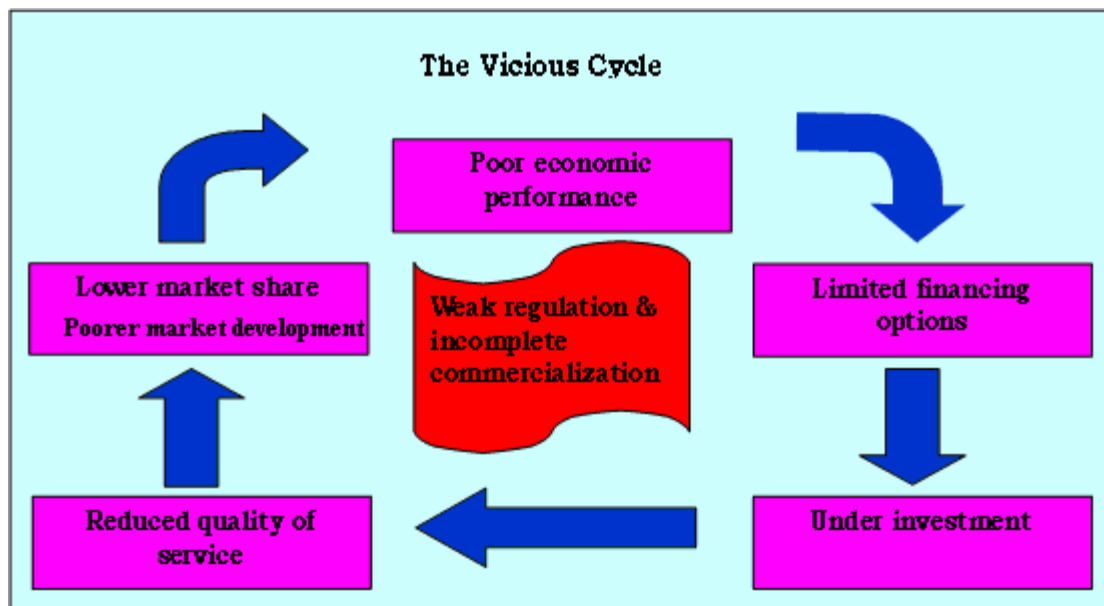
Advocacy for postal reform within the Caribbean region has gained greater momentum during the last ten years. Some Posts have, to a limited extent restructured and implemented technological changes, formed alliances with major operators to remain competitive, while others are challenged by their status quo, despite their governments' commitment to grant them operational autonomy. On the other hand, some countries are unconvinced of the need for reform which would realize a change in the legal status of the postal operator. It is the view of a minority that maintaining the status quo offers the best conditions for postal development and resources.

Although the region is politically stable, changes in the political directorate with the resulting changes in key personnel at high level continues to be a challenge for achieving and maintaining strong linkages to the global postal network.

4   UPU priority focuses of development. Priority actions

The UPU 2004 Bucharest Congress reiterated calls for member countries to reform their postal services from a social service to a commercial business. The Bucharest Congress also adopted a strategy for the provision of technical assistance to countries to implement postal reform aimed at converting Posts from protected government organizations into competitive customer-oriented businesses. Such reform depends both on the availability of outside resources and on a government's willingness to make it a national priority.

Since 2005, a number of activities have been organized for the Caribbean region aimed *inter alia* at postal sector development, improvement of quality of service, development of electronic infrastructure and cost accounting. Ten countries[3] have benefited from the formulation of Integrated Postal Reform and Development Plans (IPDPs) while others are contemplating the merits and demerits of this approach before taking a decision. This could be taken to demonstrate that the authorities might not have a concept of the importance of the national postal sector in economic development.

It is vital that the various actors coordinate their efforts, particularly so as to facilitate a progressive, coherent integration of the region into the world postal sector. This should be carried out by prioritizing the following three policies:

–   a physical network providing a secure, constant, monitored quality of service in line with international standards;

–   a secure electronic network enabling postal items to be tracked at the various stages of the process – including customs and transporters - so as to reinforce control and encourage greater customer confidence, while contributing to the integration of international postal networks;

–   A financial services network ensuring a secure and affordable electronic remittances service.

The Integrated Postal Reform and Development Plan (IPDP) was adopted as the principal cooperation tool for arriving at a definition of a future integrated postal sector reform policy at the national level.

Implementation of the new cooperation policy for 2009–2012 will be based on three main components: the regional development plan; the reorganization of UPU presence

[3] Anguilla, Antigua and Barbuda, Bahamas, Belize, Bermuda, Guyana, Jamaica, Saint Christopher (Saint Kitts) and Nevis, Saint Lucia and Saint Vincent and the Grenadines.

in the field; and allocation of the budget resources earmarked for cooperation so as to foster the implementation of country projects through a regional approach.

5   Next steps – The future of the Caribbean postal service

The viability and sustainability of the Caribbean postal service will depend on its ability to meet customers' growing expectations by transiting to a commercialized postal business; adaptation to the explosive growth in the communications market; and coordination and harmonization efforts to facilitate a progressive, coherent integration of the region into the world's postal sector.

The concept of the CSME implies *inter alia* the pooling of forces and harmonization of legislation and operations, etc., while the diversity of development stages among Caribbean nations calls for the development of synergies.

CARICOM has the authority and the bonding capacity to include the postal sector in the developmental agenda of the region and assist its members in reforming the postal sector which should bring about the commercialization of the postal services.

CARICOM should also ensure that its members focus on implementing the 2009-2012 Nairobi Postal Strategy which identifies four programme-driven objectives to respond to the following global challenges:

−   improving the interoperability, quality and efficiency of the three-dimensional postal network in order to keep the sector relevant to market and customer needs;

−   stimulating a universal postal service adapted to the social, economic and technological environment;

−   promoting the sustainable development of the postal sector and its economy;

−   fostering the growth of the postal market(s) and services.

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