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Postal Law in China

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Purpose and Sources for Paper

- Purpose: to offer a short introduction to the history of postal law in China
 - No English language history of Chinese postal law is known
 - China is rising star in the global economy and in postal markets and policy making bodies
- Sources
 - Western accounts of postal developments prior to 1912
 - 1999 official history prepared for UPU Congress
 - Official and unofficial translations of Chinese postal laws and regulations
 - Statements by Chinese officials

Organization of Paper

1. Evolution of postal services in China to 1949
2. Early development of a national postal system
3. First Chinese postal law (1986)
4. Modernization of China Post.
5. Postal law of 2009
6. Conclusions

1. Evolution of Chinese Posts to 1949 (1)

- I-Chan (Imperial Courier) and Letter Hong
- Foreign powers invaded China in 1840s
 - “Treaty century,” 1840s to 1940s (ultimately 80 treaty ports)
 - Foreign post offices established (UK, FR, DE, US, JP)
- Development of Imperial Post
 - 1860s. Sir Robert Hart, DG of Customs, establishes customs post
 - 1876-96. Imperial government orders to establish Imperial Post
- Imperial Post in 1910:
 - 5,000 offices; 14,000 employees; 120 foreign managers
 - Limited service to small towns and rural areas

1. Evolution of Chinese Posts to 1949 (2)

- 1912, last Chinese Emperor resigns
- Civil unrest 1912-1949
 - Foreign posts closed in 1922
 - Letter hongs closed in 1934
- Triumph of Communist Party, 1949-53
- Differences from Post Office in West
 - “Post office” was foreign concept
 - Imperial Post evolved after the age of paper communications had peaked in West
 - Chinese society never depended on Post as for universal letter exchange or press distribution as in the West

N.Y Times Nov 27, 1921

TO ABANDON CHINA'S ALIEN POST OFFICES

**Far East Committee Accepts in
Principle and the Plan Is Em-
bodied in Resolution.**

CONTINGENT ON CONDITIONS

**Chinese Delegates Pleased at
Results of Postal and Extra-
territorial Negotiations.**

Special to The New York Times.
WASHINGTON, Nov. 26.—The Far Eastern Committee of the Washington conference agreed today that there should be a withdrawal of foreign Post Offices in China as soon as conditions in that country warrant. This, coupled with yesterday's understanding that the extraterritorial rights of nations should

2. Early Development of a National Post (1)

- Imperial Post in 1949
 - 1 item per person (600 million)
 - 25,000 postal outlets (21,000 agencies); limited services small towns/rural areas
- Development of China Post: 1949 to 1957
 - Ministry of Post and Telecommunications established
 - Postal volume increased by 4 times; postal outlets, 2 times
- Lost decades: 1957 to 1976. MPT dismantled, reorganized
- 1978 to 1980s. MPT reestablished
 - Rural services improved; financial self-sufficiency embraced.

2. Early Development of a National Post (2)

- Two lost decades, 1957 to 1976
 - Great Leap Forward; Cultural Revolution
 - MPT dismantled, reorganized several times
- MPT reestablished, 1978 to 1980s
 - Rural services improved
 - Financial self-sufficiency embraced (“post supporting post”)
 - Still a fundamentally pre-industrial postal system

3. Postal Act of 1986 (1)

- National Postal Conference in 1986 resolved to modernize the Post
- A primary objective was to secure privacy of correspondence.
 - Article 1. This Law is formulated . . . *with a view to protecting freedom and privacy of correspondence*, ensuring normal progress of postal work, and promoting development of postal services, so as to suit the needs of socialist construction and livelihood of the people.
- “Bill of rights” for users
 - Penalties for postal officials who obstruct mail
 - Compensation for mailers who failed to receive assured services



3. Postal Act of 1986 (2)

- Letter rates increased by 150 percent (first since 1950s)
- Missions of China Post clarified
 - posting and delivering of domestic and international postal materials;
 - distributing domestic newspapers and periodicals;
 - postal savings and postal remittances; and
 - other suitable businesses.
- Postal monopoly: “Posting and delivering services of mail [letters] and other articles with characteristics of mail [letters]”
- Entrustment provision: “ [China Post] may, according to needs, *entrust other units or individuals as agents to run businesses exclusively operated by [China Post]*”

3. Postal Act of 1986 (3)

- 1986 act and courier services
 - c. 1979. first courier service begun by DHL
 - 1980. China Post begins international express mail (EMS)
 - 1984. China Post begins domestic EMS
 - 1986 Act. Settled “5 or 6 year debate” about whether Post Office should monopolize courier services by not monopolizing express. MOFTEC, 1995
 - 1986. MOFTEC issues first courier license to DHL to provide “international air express services regarding business documentary, materials, and printed matters (excluding mails, postcards, and mail like items), and small pieces goods.”

4. Modernization of the China Post (1)

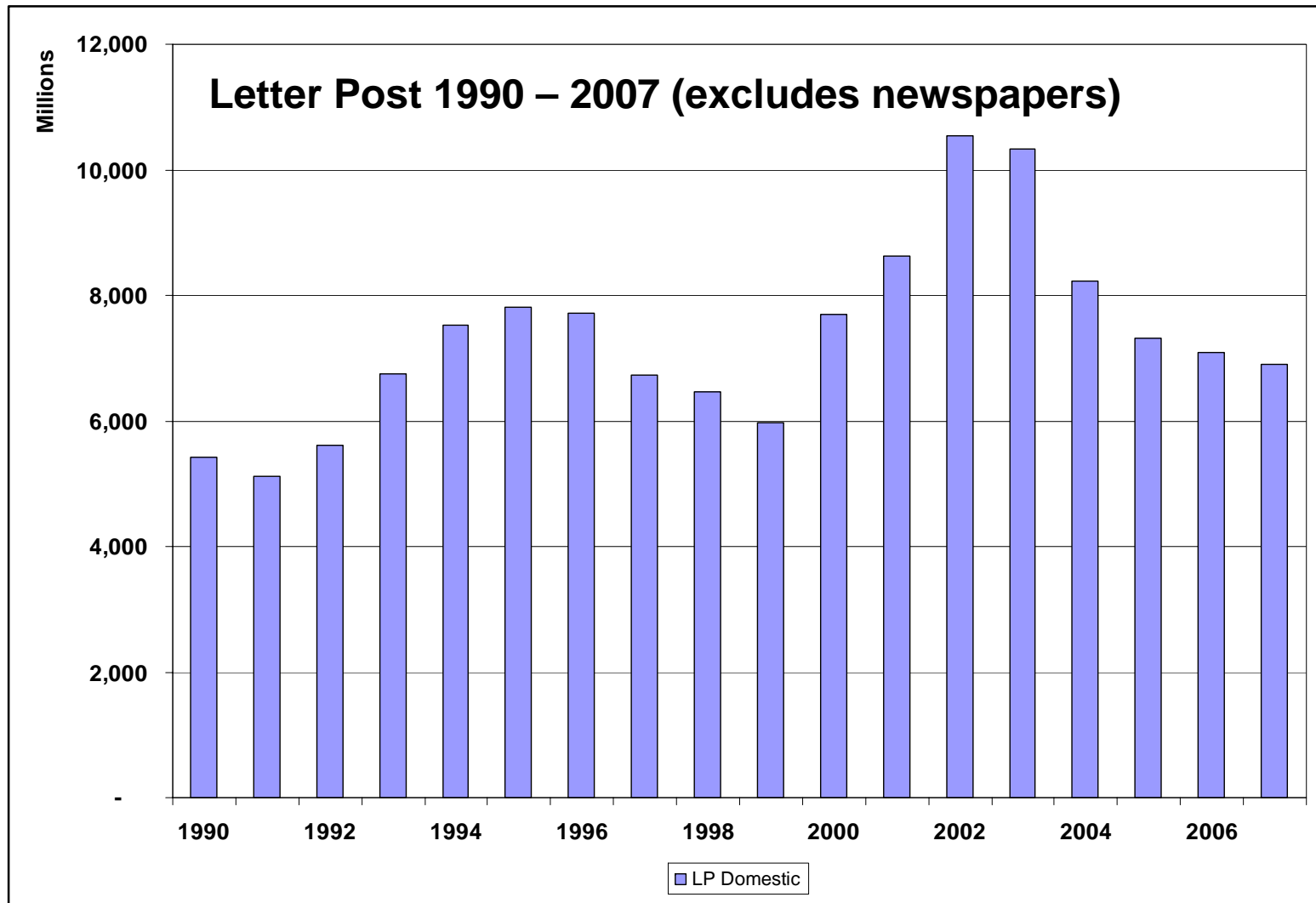
- National Postal Conference in 1992 resolves to modernize China Post

“The situation of post market had changed a lot. It mainly manifested in the *transition from seller's market in the post to buyer's market* and the transition of some business from monopoly to competition. Competition in some business market was very intense with great pressure.

“MPT decided to greatly enforce communication ability, change the backward situation of post, promote post modernization, improve post transportation ability, enforce integrated communication ability of the whole network . . .

“By the end of this century, MPT would established *independent express post delivery main line network, all levels of central offices with high mechanical and automatic processing abilities and computer processing network widely used in operation, production, and management, forming the post network with reasonable distribution, advanced technologies, full functions, rapid and convenience.*” [Official History, 2000]

4. Modernization of the China Post (2)



4. Modernization of the China Post (3)

- Development of EMS, 1998 to 2005
 - Volume of domestic express items grew 147 percent, from 73 million items to 181 million items.
 - Outbound international express grew 108 percent to 7 million items
- Since 2005, growth in outbound EMS has apparently accelerated (Kahala Group)
- China Post's revenue from express services now substantially exceeds revenue from letter post services.

5. Postal Act of 2009 (1)

- Growth of express services prompted disputes between supporters of China Post and supporters of courier services
 - Some provincial and municipal officials prohibit courier services units from providing express services for printed material and documents
- 1995. MOFTEC issued first regulations governing international private express and clarified relation to postal monopoly
 - “The express services operated by freight forwarders do not include mails but include business documents, trade documents, samples and small packages of goods. . . . The notices of local postal bureaus and other departments violate the [1986 law] by changing ‘the exclusive operation of mails’ to ‘documents.’”
 - 1986 postal monopoly: item had to be both (1) private (sealed) and (2) mail (personal correspondence).

5. Postal Act of 2009 (2)

- Jan. 1986. State Postal Bureau defines “mail” in broad terms:
 - All types of documents, including written instruments and identification certificates, notices, negotiable securities, books, magazines, audiovisual materials, computer media, and other items as SPB may specify.
- Sep. 1986. MOFTEC confirms its position
- Sep. 1999. China hosts UPU Congress
- July 2002. State Council rules for MOFTEC
 - “ ‘Private letters’ . . . refer to letters other than all kinds of documents, notices; and bills/vouchers, identification certificates, negotiable securities, manuscripts, printed materials, etc of non-private nature.”
- China has over 5000 private courier and express companies

5. Postal Act of 2009 (3)

- Postal Act of 2009
 - Article 1: “This law is formulated *to ensure the provision of universal postal services, enhance the supervision and regulation of postal market, protect the freedom and privacy of correspondence, maintain the postal correspondence and information security, protect the legal rights and interests of users, and promote the healthy development of the postal service*”
 - Postal monopoly:
 - “Delivery of letter articles within the scope of relevant regulations issued by the State Council shall be exclusively operated by postal enterprises.” [Art. 5]
 - “Foreign businesses are forbidden to invest in or operate domestic express delivery of letter articles.” [Art. 55]
 - Stricter regulation of private express companies introduced

6. Conclusions

- Development of postal services in China has followed a very different path from in the West. Prior to mid 20th century:
 - Postal services were not a critical conduit for paper based communications
 - Public postal services were not a major governmental activity
- Development of government post office has been largely stimulated by external influences
 - Invasion of foreign post offices in 19th century.
 - Development of customs post by foreign managers of Chinese Customs
 - Introduction of international courier services in 1980s.

6. Conclusions

- Chinese postal reforms appear to be adapting traditional principles of postal reform to support non-traditional postal development.
 - “Universal service” is now cited as the overriding objective of postal modernization, yet it appears that China will develop sufficient volume to support universal letter post service.
 - Commercial future of China Post appears to more focused on express and parcel services than traditional letter post services. The main practical effect of the 2009 law was exclude foreign express companies from much of the domestic express business and to tighten government control over domestic express services.