



UPU Think Tank Brief

No. 3/2025 – thinktank@upu.int – www.upu.int

Repositioning the postal network as social infrastructure for financial inclusion and economic resilience

Historically, postal revenue and real gross domestic product (GDP) growth have had a strong positive correlation: postal revenue increased as a country's GDP grew.

However, with the societal transition to a digital economy, this relationship has consistently weakened over the past decade or so.

This disconnect between real economic growth and postal sector performance is termed “postal–GDP decoupling”. Beyond its descriptive function, this brief argues that such decoupling serves as an emerging indicator of widening economic inequality and exclusion. This is a novel interpretation of an existing concept, but one with significant policy implications.

Using a newly harmonized database linking data from postal operators globally with World Bank data on GDP at purchasing power parity (PPP),ⁱ the Universal Postal Union has measured and continues to track the gap between real postal revenue and real GDP growth.

Based on this analysis, this policy brief argues that by repositioning national postal networks as engines for financial and digital inclusion, these networks can be revitalized as pillars of social infrastructure and trust.

Such improvements to the postal sector will not only mitigate the negative effects of postal–GDP decoupling, but also enhance economic resilience and equity in UPU member countries.

Postal–GDP decoupling as a signal of economic and social inequalities

Postal–GDP decoupling occurs when postal sector revenue growth diverges from national economic growth, often stagnating or declining even as GDP continues to rise.

Real world GDP expanded by more than two thirds between 2006 and 2023, while aggregate postal revenue advanced by barely one quarter.

Based on actual indicators and estimates for the

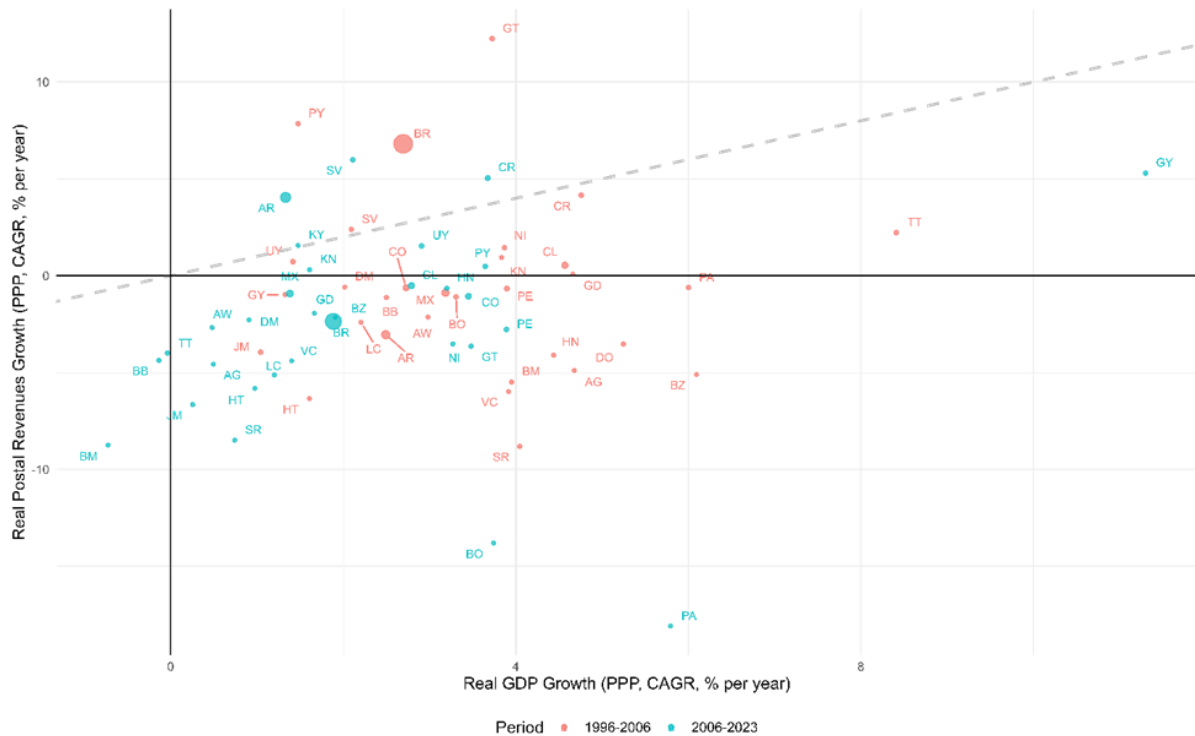
192 countries reported in UPU official statistics, our analysis shows that aggregated real postal revenue grew by 23.7% between 2006 and 2023, whereas world GDP increased by roughly 68% at PPP.ⁱⁱ

When combined with recent research findings (Anson, 2025; Borsenberger, Bounie, Durand and François, 2025), this striking disconnect emerges as more than a statistical anomaly.ⁱⁱⁱ The postal–GDP decoupling results not only from the direct impact of greater digitalization over the past 30 years, but also from strategic and policy positioning failures.

The widening of this decoupling over time may reflect several interrelated dynamics, including the sector's uneven adaptation to new market realities driving GDP growth (particularly the expansion of the digital economy) and the evolution of underlying structural inequalities across income groups and geographies.

These structural inequalities have been explored in literature on postal economics (Anson and Gual, 2008; Anson et al., 2013; Broekhoff et al., 2023), and point to the disproportionate effects of decoupling on vulnerable populations – particularly low-income groups, the elderly, residents in rural areas, and individuals lacking access to digital financial services.^{iv} These communities face increasing barriers to essential services, including cash withdrawals and affordable access to social safety net payments, such as pensions, conditional cash programmes and government transfers.

Our analysis shows that many countries across multiple regions are showing patterns of significant postal–GDP decoupling.^v This level of decoupling typically manifests when economic growth has not been matched by investments in postal infrastructure.



Source: UPU. Point size is proportional to real postal revenue (USD, PPP).

Figure 1: Postal growth vs economic growth in the Latin America and Caribbean region (1996–2006 and 2006–2023)

As an example, Figure 1 illustrates the decoupling pattern between postal revenue and GDP growth in Latin America and the Caribbean (LAC), where the macro-postal link remains weak.

Most countries in this region fall below the dashed 45-degree line, indicating significant decoupling – a situation closely tied to pervasive income inequalities that national postal networks have done little to address through financial inclusion initiatives or government-to-person (G2P) services.

LAC figures for GDP growth span from approximately -1% in Bermuda (BM) to nearly +10% in resource-rich Guyana (GY), yet postal outcomes range from -18% in Panama (PA) to +12% in Guatemala (GT). Caribbean islands with similar GDP paths scatter vertically.

This pattern, observable across other developing regions, suggests that strategic positioning – rather than macroeconomic growth alone – has been a key driver of the postal–GDP decoupling phenomenon.

Our research indicates that insufficient investment in postal infrastructure not only produces decoupling but also generates broader inclusion deficits, such as lower participation by micro, small and medium-sized enterprises

(MSMEs) and larger informal sectors in the economy (Anson and Gual, 2008).

In these circumstances, worsening postal–GDP decoupling could also be interpreted as an early warning signal of broader economic volatility, lower macro-resilience and more uneven development.

As such, decoupling is not merely a technical metric; it is a tangible expression of regional disparity, financial exclusion, and unequal access to essential public services.

Left unaddressed, these dynamics risk generating significant social welfare costs and heightened societal tensions, as illustrated by numerous studies.^{vi}

The role of digitalization

Digitalization, while providing efficient services to consumers, has significantly contributed to the erosion of the global physical postal network.

As consumers and institutions increasingly shift towards e-mail, electronic billing, mobile banking and online services, the volume of traditional letter post and in-person transactions has sharply declined. For many national postal operators, particularly in high- and middle-income countries, this reduction in core mail

traffic has weakened a once-stable revenue stream.^{vii}

In response, many operators have implemented cost-cutting measures, including closing local post offices, reducing opening hours, downsizing the workforce and withdrawing “cash-handling” services.

Moreover, the centralization of services and reliance on digital channels has exacerbated spatial and social inequalities.

Populations without reliable Internet, digital devices or sufficient digital literacy, which disproportionately include older, poorer and rural communities, are left behind as essential services move online.

Thus, while digitalization enhances convenience for many, it reshapes the physical service landscape in ways that risk further marginalizing the already underserved.

Postal networks as a tool for social and financial inclusion

Postal–GDP decoupling also highlights a deeper structural issue: economic expansion is no longer translating into equitable access to essential services for the broader population – especially for traditionally vulnerable segments of society.

As commercial banks reduce their physical presence to cut costs in the light of digitalization, many communities are increasingly excluded from formal financial systems.

This double effect of increased digitalization of services and a reduction in physical access points (such as bank branches) is evidenced by data.

The European Commission defines financial exclusion as *“the process whereby people encounter difficulties in accessing and/or using financial products and services in the formal market in accordance with their needs and which enable them to lead a normal social life in the society to which they belong”*.

Across the European Union (EU), according to data provided by the European Central Bank, the number of bank branches has fallen from 225,397 in 2008 to 129,429 in 2023 – an average annual decline of 2.8%. Similarly, the number of ATMs per million inhabitants in the euro area has dropped below 2003 levels.^{viii}

This trend is mirrored in countries like Australia, Canada, the United Kingdom of Great Britain and Northern Ireland (UK) and the United States of America (US), where banks are increasingly shifting towards digital models.

In the US, nearly 48% of banked households now use mobile banking as their primary method of access.^{ix} In the UK, 88% of adults used online or mobile banking in 2022,^x and in the EU zone, 67% of people aged 16–74 bank online (ranging from over 95% in Scandinavia to under 33% in Bulgaria and Romania).^{xi}

While these shifts reflect technological progress,^{xii} they also reveal widening gaps.

Digital banking cannot fully replace the relational and geographic accessibility of physical branches, especially for the digitally excluded.

The impacts of reduced brick-and-mortar presence create a downward spiral: decreased use of physical infrastructure puts pressure on private-sector providers to reduce physical network costs (e.g. by closing branches that are no longer profitable).

On the other hand, fewer branches may increase the effort it takes for customers to visit branches (driving up travel costs and time), which could further reduce demand and reinforce incentives to reduce service points. This extends further to lending activities.^{xiii}

Research shows that branch closures negatively impact lending, particularly to small businesses, by weakening local borrower–lender relationships.^{xiv} In Sweden, a 10% reduction in bank branches led to a 1.8% decline in local firms’ loan balances.^{xv}

In contrast to this sustained decline in access points to formal financial institutions, the global number of post offices totalled 663,674 in 2024, slightly down from the peak of 723,101 reached in 1997.^{xvi}

Globally, postal operators manage 2.48 billion current and savings accounts, providing basic financial services to 1.2 billion people, often in partnership with other providers or through dedicated financial subsidiaries.^{xvii}

In many regions, post offices are the sole institutions where individuals can access cash-based services such as pensions, government benefits, and remittances. Their role has grown more critical as the number of commercial bank branches steadily declines.

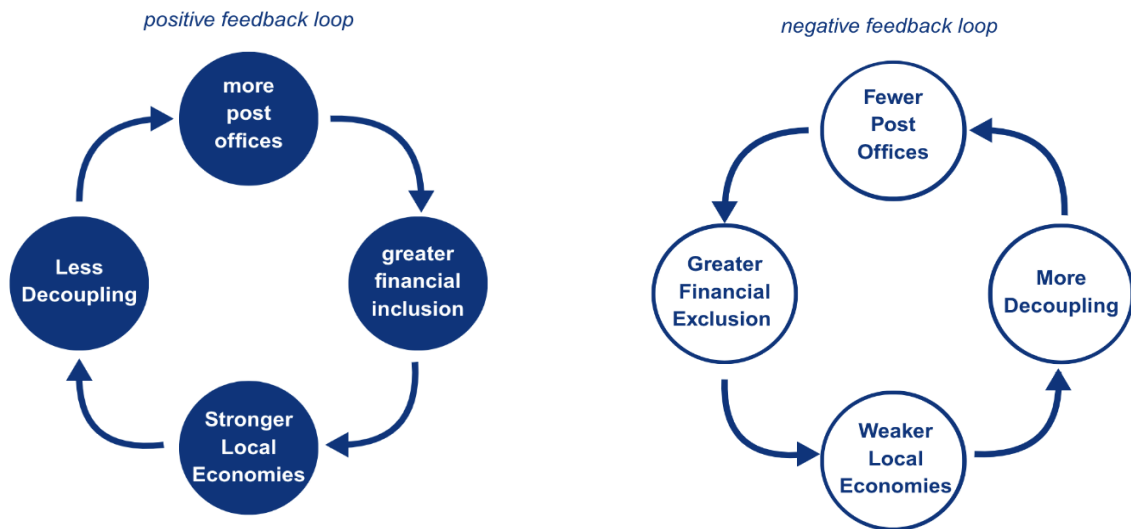


Figure 2: The role of Posts in strengthening local economies and fostering financial inclusion

Unlike banks, postal operators are often constrained by accessibility mandates and cannot easily downsize. This constraint, paradoxically, positions them as stable actors in an increasingly volatile financial landscape.

Strengthening postal banking is not just a matter of modernizing legacy infrastructure, it is a necessary strategy to counteract the negative effects from postal–GDP decoupling, and to ensure access to finance remains a public good.

Feedback loop: postal networks and economic stability

According to the UPU, the postal sector is already the second largest contributor to financial inclusion worldwide. Posts sit behind banks but far ahead of microfinance institutions and mobile phone operators: 84% of Posts worldwide provide financial services, either directly or in partnership with other financial institutions.^{xviii}

Thus, a positive reinforcing cycle exists between the strength of postal infrastructure and the degree of financial inclusion it supports. In the absence of a robust postal network, the local economy is likely to be weaker and financial exclusion will deepen for the broader population (Figure 2).

When a country maintains a widespread and accessible network of post offices, it facilitates broader and equitable financial access. These post offices often act as gateways to essential services such as cash withdrawals, savings accounts, bill payments, and receipt of government transfers.

By embedding these services within local communities, especially in rural or marginalized regions,^{xix} postal networks foster greater financial inclusion.

In turn, this contributes to stronger, more resilient local economies. With more people able to participate in formal financial systems, small businesses can grow, households can manage risks more effectively, and communities can thrive.

This dynamic helps reduce the degree of postal–GDP decoupling, as the postal system becomes more integrated with the wider economy and responsive to its growth.

This broader welfare perspective through the preservation of local postal presence can be observed in Brazil. Impact evaluations in Brazil have attributed a 23% increase in new business registrations to the opening of Banco Postal branches.^{xx}

Conversely, when postal infrastructure is allowed to deteriorate, it sets off a damaging cycle. The withdrawal of postal services often leads to greater financial exclusion: without access to physical cash services or financial products, individuals are pushed towards informal and often exploitative alternatives.

This exclusion weakens local economic activity, diminishes consumer confidence, and undermines small-scale enterprise.

As a result, entire regions may experience slower economic growth, widening spatial inequalities and exacerbating postal–GDP

decoupling.

By analyzing the geospatial distribution of financial services and their accessibility at both the municipal and EPCI^{xxi} level in France, Borsenberger, Bounie, Durand and François (2025) obtain statistical results that support this hypothesis.

Specifically, the presence of post offices is associated with reductions in both the time and the distance needed to access cash by withdrawing it at either an ATM or a bank branch.

In elasticity terms, a 1% increase in the number of post offices leads to a 0.62% decrease in the time needed to access cash and a 0.53% decrease in the distance travelled.

These findings underscore a strong positive relationship between the availability of post offices and improved access to cash.^{xxii}

Conclusion

As bank branches and ATMs continue to retreat from underserved areas – disproportionately affecting vulnerable populations, including those with limited digital literacy – postal networks offer unparalleled last-mile reach.

Implementing specific measures (as outlined in the following section) can convert postal networks from passive victims of decoupling into active platforms for inclusive growth – ensuring that national development benefits all citizens.

Policy recommendations

Postal–GDP decoupling is both a symptom and a driver of inequality.

Reversing it requires coordinated action across operators, regulators and governments to recognize the postal network as essential social infrastructure and to manage it with a double-bottom-line lens (financial sustainability and social impact).

For designated postal operators

- **Scale tiered postal financial services via partnerships or licensed subsidiaries.** Depending on the business strategy, this can range from basic cash handling to savings, payments and remittances.
- **Provide over-the-counter support for digital services.** This can allow the digitally excluded to access online banking and e-citizen services.

- **Preserve a “minimum access grid”.** Optimize the physical footprint using flexible formats (agency counters, franchise kiosks, mobile branches, shared service points) to maintain guaranteed access in underserved and rural areas.
- **Diversify beyond letter and parcel post into e-citizen services.** This can be augmented by SME support (ID verification, invoicing, returns, micro-logistics), and community cash-access hubs to strengthen local economic resilience.
- **Institutionalize impact measurement.** Track postal–GDP decoupling at regional level and link network decisions (openings/closures, hours) to access-to-cash indicators (travel time, distance) and inclusion outcomes.
- **Use innovation sandboxes.** This can allow the piloting of low-cost, locally relevant service models with clear key performance indicators for social impact and rapid scale-up paths.

For regulators

- **Codify the postal network as essential social infrastructure.** This requires the supervision of postal institutions with a double-bottom-line framework: operators must report both financial and social outcomes.
- **Set minimum service standards.** This should include geographic and demographic coverage, opening hours and accessibility (especially for rural, elderly and low-income users), and require contingency plans when commercial retrenchment raises exclusion risks.
- **Create a postal–GDP decoupling observatory.** Within the regulatory remit to monitor divergence trends, publish early-warning dashboards, and trigger proportionate remedial measures (targeted funding, mandated access points, service reconfiguration).
- **Enable interoperable partnerships.** Through proportionate compliance, foster interoperability between postal operators and financial service providers through agent-banking rules, as well as data-sharing standards that safeguard consumers while accelerating inclusion.
- **Mandate impact reporting that links network changes to financial inclusion.** This can include metrics such as travel time

to cash, basic-account uptake, and SME access to services, tracking progress to avoid harmful closure cycles.

For governments and policymakers

- **Legislate protected status for the postal network.** Similar to utilities/transport, it will be beneficial to ring-fence funding (universal service, outcome-based contracts, targeted subsidies, cross-subsidies from profitable services) to maintain a guaranteed access grid.
- **Adopt national programmes to scale postal banking.** Use post offices to distribute benefits, pensions and low-fee accounts and to bridge physical–digital divides through assisted-digital services.
- **Align postal policy with strategies for financial inclusion and regional development.** This can be done by using disaggregated decoupling metrics to prioritize investment where GDP grows but postal access lags.
- **Establish an innovation fund.** This can be used to pilot community service hubs, shared cash infrastructure, and e-government delivery via the Post, with scaling tied to measured social returns.
- **Promote international cooperation via the UPU.** This involves adopting global standards, facilitating knowledge exchange and capacity building – especially for countries facing severe decoupling.

ⁱ Postal–GDP decoupling can be estimated either on a cumulated basis over the 2006–2023 period or on an annual basis. The annualized decoupling can be obtained after estimating the compound annual growth rate (CAGR) of the real postal revenue and the real GDP for each observation (at the country level) between 2006 and 2023 and then calculating the difference, in percentage points, between the respective growth rates.

ⁱⁱ José Anson (2025). *Postal decoupling and its drivers: a long-run analysis*.

ⁱⁱⁱ José Anson (2025). *Postal decoupling and its drivers: a long-run analysis*.

Claire Borsenberger, David Bounie, Quentin Durand and Abel François (2025). *The role of the postal operator in access to cash*.

^{iv} José Anson and Laïa Bosch Gual (2008). "Financial access and inclusion through postal networks: Evaluating

Acknowledgements, disclaimers and endnotes

This Policy Brief was drafted by Myuri Kannan, Trainee at the UPU's Knowledge Centre and Think Tank, under the guidance and supervision of Dr José Anson, UPU Lead Economist.

The content of this Policy Brief is mainly based on the findings of two research papers presented during the 33rd Conference in Postal and Delivery Economics, namely "The role of the postal operator in access to cash" co-authored by Claire Borsenberger, David Bounie, Quentin Durand and Abel François, and "Postal decoupling and its drivers: a long-run analysis" authored by José Anson.

Except as otherwise indicated, the copyright in this publication is owned by the UPU.

Reproduction is authorized for non-commercial purposes, subject to proper acknowledgement of the source. This authorization does not extend to any material identified in this publication as being the copyright of a third party. Authorization to reproduce such third-party materials must be obtained from the copyright holders concerned.

UPU Think Tank Briefs constitute research in progress of an informational nature for which no guarantees or assurances are provided; in this regard, their content shall not be deemed to represent the official position or opinions of the UPU, its staff members or member countries.

The depiction and use of boundaries, geographic names and related data shown on maps and included in lists, tables, documents and databases are not warranted to be error-free, nor do they necessarily imply official endorsement or acceptance by the UPU.

the experience of Brazil's Banco Postal". In *Postal Economics in Developing Countries*, ed. Joëlle Toledano. Berne: Universal Postal Union.

José Anson, Alexandre Berthaud, Leora F. Klapper and Dorothy Singer (2013). "Financial Inclusion and the Role of the Post Office". In *World Bank Policy Research Working Paper No. 6630*. Available at: ssrn.com/abstract=2343708

Marie-Claire Broekhoff, Carin van der Crujisen, Nicole Jonker, Jelmer Reijerink, Ghislaine Umuhire and Wouter Vinken (2023). *Digitalisation of the payment system: a solution for some, a challenge for others*. Available at: www.dnb.nl/media/v5lgqudn/impact-digitalisering_en_web.pdf

^v José Anson (2025). *Postal decoupling and its drivers: a long-run analysis*.

^{vi} Gudrun Østby (2016). "Inequality and Political Conflict". In *World Social Science Report 2016: Challenging*

-
- Inequalities: Pathways to a Just World* (chapter 25, pp. 1–3), ed. UNESCO. Paris: UNESCO Publishing.
- Frances Stewart (Ed.). (2008). *Horizontal Inequalities and Conflict: Understanding Group Violence in Multiethnic Societies*. Basingstoke: Palgrave Macmillan.
- Tu et al. (2025). Inequality in infrastructure access and its association with health disparities. In *Nature Human Behaviour*. doi.org/10.1038/s41562-025-02208-3
- United Nations and World Bank (2018). *Pathways for Peace: Inclusive Approaches to Preventing Violent Conflict*. Washington, DC: World Bank. doi.org/10.1596/978-1-4648-1162-3
- ^{vii} José Anson (2025). *Postal decoupling and its drivers: a long-run analysis*
- ^{viii} European Central Bank (2024). “EU structural financial indicators: end of 2023”, Press Release, 7 June 2024. Available at: www.ecb.europa.eu/press/pr/date/2024/html/ecb.pr240607~92e24c335f.en.html
- ^{ix} Federal Deposit Insurance Corporation (2024). *2023 FDIC national survey of unbanked and underbanked households*. Available at: www.fdic.gov/household-survey
- ^x Financial Conduct Authority (2023). *Financial Lives 2022 survey – Key findings from the May 2022 survey: Executive summary*. Available at: www.fca.org.uk/publications/financial-lives/financial-lives-survey-2022-key-findings
- ^{xi} Eurostat (2024). “Digital society statistics at regional level.” In *Statistics Explained*. Available at: ec.europa.eu/eurostat/statistics-explained/index.php?title=Digital_society_statistics_at_regional_level
- ^{xii} This pattern of bank branch closure has been observed worldwide for several decades; however, the COVID-19 pandemic seems to have accelerated the pace, owing to the leap forward in digitalization of society during lockdown.
- ^{xiii} Conroy et al. (2017). “Fuelling job engines: Impacts of small business loans on establishment births in metropolitan and nonmetro counties.” In *Contemporary Economic Policy* 35(3), 578–595. doi.org/10.1111/coep.12214
- Edlebi et al. (2022). “The great consolidation of banks and acceleration of branch closures across America: Branch closure rate doubled during the pandemic”, NCRC.
- ^{xiv} Hoai-Luu Q. Nguyen (2019). “Are credit markets still local? Evidence from bank branch closings.” *American Economic Journal: Applied Economics* 11(1), 1–32.
- Niklas Amberg and Bo Becker (2024). “Banking without branches.” *Technical Report 430*, Sveriges Riksbank.
- ^{xv} Cynthia Sin Tian Ho and Björn Berggren (2020). “The effect of bank branch closures on new firm formation: The Swedish case”. In *The Annals of Regional Science*, vol. 65.
- ^{xvi} Claire Borsenberger, David Bounie, Quentin Durand and Abel François (2025). *The role of the postal operator in access to cash*.
- ^{xvii} Ibid.
- ^{xviii} Universal Postal Union (2025). *Postal Statistics 2024*. Berne: Switzerland.
- ^{xix} 79% of post offices are located in rural areas.
- ^{xx} José Anson and Laïa Bosch Gual (2008). “Financial access and inclusion through postal networks: Evaluating the experience of Brazil’s Banco Postal.” In *Postal Economics in Developing Countries*, ed. Joëlle Toledano. Berne: Universal Postal Union.
- ^{xxi} EPCIs [Établissements Publics de Coopération Intercommunale] are local government entities in France that group several municipalities, sharing powers and adhering to common, homogeneous rules comparable to those of local authorities. They exhibit a wide variety of sizes and social, demographic and geographical characteristics. Every French municipality is part of a unique EPCI.
- ^{xxii} Claire Borsenberger, David Bounie, Quentin Durand and Abel François (2025). *The role of the postal operator in access to cash*.