THE POSTAL SECTOR'S ROLE IN THE DIGITAL ECONOMY AND DIGITAL SOCIETY

A global panorama

EXECUTIVE SUMMARY

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Disclaimer

This report contains numerous case studies of digital services provided by designated postal operators which have been sourced from social media, news articles, and publications. However, their inclusion does not imply official endorsement by the UPU or national governments. The views in this report reflect the opinions of the author alone, and do not necessarily reflect those of the Universal Postal Union or its development partners. While the International Bureau has endeavoured to provide detailed and accurate information on these services, the main goal is to reveal the broad variety of digital services delivered by Posts. Readers are therefore encouraged to approach Posts directly for more information about specific digital services. In addition, this report does not claim to be an exhaustive analysis or define best practice.

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EXECUTIVE SUMMARY

Today, nearly 2.6 billion people remain offline, and many more lack meaningful connectivity owing to issues such as inadequate devices, limited digital skills, insufficient data, poor coverage, or slow speeds. Unsurprisingly, the same groups historically excluded from full economic and social participation – rural populations; women; people living in poverty; racial, ethnic, and religious minorities; micro, small and medium enterprises (MSMEs); and micro-entrepreneurs – are also more likely to be digitally under-connected.

With over 650,000 post offices – most located in rural areas – the global postal network is the world's most geographically extensive system of physical service contact points. It is also the world's most inclusive communications network, mandated to serve all citizens within the borders of its 192 United Nations (UN) member states through the universal provision of basic postal services. Underserved communities form a core part of the postal sector's customer base and often visit post offices more frequently than more privileged segments of the population. Posts are also disproportionately accessed by elderly individuals, who face elevated risks of digital exclusion. Digitally upgrading postal networks and transforming Posts into one-stop shops for a broad range of digital services – including e-commerce, digital financial services, e-government, e-health, and digital connectivity – holds immense potential to enable inclusive digital transformations, contribute to bridging the digital divide at scale, and foster inclusion of marginalized populations and MSMEs that have historically lacked access to resources.

Posts are already leveraging their physical and digital infrastructure to promote economic, social, financial, and digital participation through digital services. However, the sector's potential remains underutilized. Realizing its full contribution requires universal internet connectivity across all post offices so that they can fully leverage their trusted presence and reach to serve as gateways to the digital world for less connected communities. The urgency of realizing the postal sector's full potential is heightened by the fact that every sector of the economy and society is undergoing a digital transformation, reshaping how citizens and businesses interact with essential services, markets, and one another.

This report takes stock of the current role the sector is playing in enabling inclusive digital transformation and provides recommendations on how to further scale its contribution.

Many Posts are already delivering inclusive, digitally enabled services

Findings from this report – based on a survey of 153 designated postal operators[1] – show that many Posts are already leveraging their infrastructure to promote digital inclusion across multiple service domains:

71% consider themselves providers of e-commerce services, supporting MSME participation in the digital economy through logistics, warehousing, payment solutions, and operational tools tailored to their needs.

Over 70% offer at least one digital connectivity service, helping communities get online by improving internet access, supporting expansion of infrastructure, and enhancing digital skills.

58% consider themselves providers of digital financial services, helping promote financial inclusion by equipping marginalized groups and MSMEs with tools to transact and engage in the digital economy.

1 Designated postal operators refer to national postal operators tasked by their government to fulfil the government's obligations under UPU treaties, such as the universal service obligation (USO).

51% consider themselves providers of e-government services, helping bring citizens closer to the state and promoting social inclusion, ensuring that even citizens in remote areas can engage with public administrations seamlessly.

11% consider themselves providers of digital health services, contributing to addressing universal health coverage gaps, an area that Posts are less active in but one that is worth monitoring.

74% consider themselves providers of digital postal services, making postal services more customer centric and competitive.

Notably, **34% of Posts show signs of evolving into one-stop shops for digital inclusion** by offering a combination of e-commerce, digital financial services, and e-government services under the same roof. This model enables underserved citizens – especially in rural and remote areas – to access multiple essential services conveniently and affordably in one location. By doing so, these Posts reduce the time and cost burden for less connected populations, bring governments closer to the people, offer in-person alternatives for those without meaningful connectivity, and expand citizen choice in how they interact with service providers and public institutions.

Inclusive by design, multi-channel service delivery

"Digital by default," "digital first," and "digital by design" strategies are often promoted as best practice – but they risk overlooking the needs and realities of less connected groups, resulting in their exclusion. To avoid this, governments and service providers must adopt an **"inclusion by design"** approach: **intentionally designing digital transformation strategies that prioritize the needs of least connected individuals and underserved communities from the outset.** Lessons from past international development efforts show that without explicit inclusion measures, broad-based strategies often disproportionately benefit easier-to-reach populations, inadvertently deepening inequalities. Integrating the unique physical footprint of postal networks into an inclusion-by-design, **multi-channel service delivery model** can help ensure that digital services are not only accessible to the majority, but also deliberately **designed to reach those currently left behind.**

Without explicit inclusion measures, broad-based strategies often disproportionately benefit easier-to-reach populations, inadvertently deepening inequalities.

Posts are actively advancing digitally enabled multi-channel service delivery by combining online and in person options for accessing the same services – effectively promoting inclusion. Their extensive physical reach helps fill a critical gap faced by many service providers, whose limited presence often confines physical access points to urban or densely populated areas, leaving rural, low-income, and underserved communities excluded or inadequately served. Transforming post offices into digital service hubs and partnering with Posts to deliver essential services dramatically expands access for these populations. In addition, leveraging appropriately trained delivery staff allows Posts to extend services directly to individuals with mobility constraints or those living in the most isolated regions – further amplifying the sector's inclusive impact.

The post office counter is the most widely used channel for delivering non-postal digitally enabled services, making them immediately more accessible to less connected groups with support from postal staff. Among Posts offering **digital financial and government services, 89% and 87%, respectively,** provide these services at the counter. Many Posts also offer **hybrid service models,** combining online platforms (e.g., websites or apps) with in-person access: **55% of Posts offering digital financial services and 42% offering digital government services** provide them both online and over the counter. Some Posts are leveraging delivery staff to bring services directly to citizens' doorsteps, while others are deploying self-service electronic kiosks and advanced ATMs – further expanding user choice and convenience. However, these figures likely underestimate the full extent of the sector's contribution to multi-channel service delivery, as many Posts also enable other actors to reach underserved communities via their infrastructure through strategic partnerships.

These findings should sound the alarm and serve as a **call to action** for countries where designated postal operators and regulators are closing post offices in an effort to cut costs and improve balance sheets. Such measures risk

undermining governments' efforts towards inclusive digital service delivery, which could be effectively facilitated by postal infrastructure. The reduction of national post office networks is neither inevitable for Posts undergoing digital transformations nor a universal trend. In fact, some countries leading in postal digitalization efforts – such as Poste Italiane and India Post – have not only modernized their networks and leveraged them to expand inclusive digital services (see boxes 2 and 13, respectively), but have also expanded their retail presence, including in rural areas, to advance both inclusivity and revenue generation. Maximizing the postal sector's contribution to inclusive digital transformation through multi-channel service delivery depends on maintaining an extensive post office network; replacing physical post offices with purely digital channels will inevitably diminish the inclusionary potential of postal sector digital transformations.

Partnering with Posts extends the reach of digital services through physical channels

Posts do not need to offer both digital and physical delivery channels themselves to contribute meaningfully to multi-channel service delivery. In many cases, **essential service providers with existing digital offerings partner with Posts** to expand their reach into underserved areas – particularly where their own physical infrastructure is limited or non-existent. This model is being deployed across both developed and developing countries, and across diverse regions.

For example, **Pos Indonesia** partners with banks and other financial institutions to extend banking services into rural areas where branches are scarce. In **Zambia**, the government has supported the upgrading of all of ZamPost's offices into digital transformation centres where citizens can access the internet and a full range of e-government services available on the ZamPortal platform with the aid of postal staff. In **France**, La Poste hosts a portion of the government's France Services centres, mainly in rural areas, extending access to services from 12 public institutions. In **Egypt, Italy (Polis project), and Czechia (Czech POINTS),** Posts are delivering a curated set of essential and frequently accessed digital government services, leveraging their widespread presence to bring governments closer to citizens. These are just a few of the many case studies featured in this report that illustrate how Posts contribute to economic, social, financial, and digital inclusion by serving as a physical bridge for multi-channel service delivery.

Sector demand and effectiveness of digital services

The report reveals strong demand among Posts – particularly in developing countries – to scale up their role in inclusive digital transformation and diversify further with digital services. Moreover, **retention rates ("stickiness") for digital services** (digital postal services, e-commerce services, digital financial services, and digital government services) exceed 92%, underscoring their lasting value. Expanding these services not only strengthens the strategic positioning of Posts but also generates sustained economic, financial, social, and digital inclusion benefits for marginalized and remote communities.

Limitations and barriers

Despite its significant potential, the postal sector faces several key limitations that constrain its ability to deliver greater impact:

Connectivity gaps persist. Around **100,000 post offices – nearly one in six worldwide – remain unconnected to the internet,** particularly in rural and developing regions where digital services could have the greatest impact. Closing this gap and achieving universal internet access across all post offices must be a top priority.

Regional disparities are also pronounced. Posts in developing regions – especially in **Africa, Latin America and the Caribbean, and Asia-Pacific** – often lag behind in offering digitally enabled services, limiting their capacity to drive inclusive digital transformation. Targeted investment and policy support are needed to close these gaps and unlock the full potential of the network.

Service variety remains limited. While many Posts have entered multiple digital service domains, the breadth of offerings within each sector is often narrow. For example, meaningful financial inclusion requires more than enabling basic digital

transactions – it demands access to a full suite of services, such as secure accounts, digital payments, credit, investments, and insurance. Expanding this diversity is essential to fully leverage postal infrastructure for inclusive digital transformation. Posts in developing countries are especially likely to offer a limited range of services, even when they provide digital services, further constraining their potential impact.

In addition to the limitations above, Posts face several systemic barriers to introducing and scaling digital services. The most pressing challenge is insufficient investment resources, cited by 61% of Posts. Overcoming this will require coordinated support from governments, donors, and other partners. Other frequently cited barriers include:

- **Digital infrastructure deficits** (37%)
- **Restrictive regulatory frameworks** (33%)
- **Inadequate enabling environments** (33%)
- **Competition from private-sector providers** (38%)
- **Uncertainty around sustainable business models** (37%)
- **Lack of clear guidance or best practices** (34%)

Regional strengths and challenges

Regional disparities strongly influence whether – and to what extent – Posts offer digital services, shaping their contributions to national development goals. **Industrialized countries,** as well as those in **Europe and CIS** (Commonwealth of Independent States) and the **Arab region,** tend to show high levels of digital service provision and diversification. Many have successfully implemented integrated, multi channel service delivery models. In contrast, Posts from **Latin America and the Caribbean** consistently lag behind other regions, hindered by challenges such as **limited investment, digital infrastructure gaps,** and **weak governmental and private-sector buy-in.** Meanwhile, Posts in **Africa and in Asia-Pacific** show encouraging progress but still face critical barriers – including **inadequate connectivity** and **restrictive regulatory environments** – that limit their ability to expand and diversify services comprehensively.

Overcoming these regional constraints through **targeted policies, investments, and international cooperation** will be essential to fully unlock the postal sector's potential as a driver of inclusive and sustainable digital development. Given the variation in these challenges across regions, **tailored, context-specific solutions** will be essential to build momentum and scale inclusive digital services effectively.

Recognition and integration of postal networks as foundational Digital Public Infrastructure

Despite the substantial contributions and untapped potential highlighted throughout this report, the postal sector remains largely overlooked by the international community and other stakeholders working to advance inclusive digital development. A striking example of this oversight is its omission from Objective 1 of the Global Digital Compact, which commits to "map and connect all schools and hospitals to the Internet" by 2030 but makes no mention of the potential of post offices with regard to digital inclusion. This likely reflects limited awareness and insufficient evidence regarding the sector's capacity in this domain. **This report directly addresses that gap by providing new evidence and analysis to inform the recognition and integration of postal infrastructure in digital development strategies.**

Explicitly **recognizing postal infrastructure as foundational Digital Public Infrastructure (DPI)** could significantly elevate its strategic role in both global and national digital agendas. DPI is composed of modular and interoperable digital building blocks that enable the delivery of essential services. However, **current DPI approaches lack mechanisms to ensure the inclusion** of individuals who face significant barriers to digital access or use. As argued in this report, postal networks can fill this critical gap by serving as an inclusive layer of DPI, enabling both **inclusion by design** and **multi-channel service delivery** at scale. Their existing infrastructure and operational capacity make them especially well-suited to deliver additional essential digitally enabled services with minimal adaptation once formally integrated as a core component of DPI and equipped with DPI building blocks.

Initiatives such as the Universal Postal Union's Connect.post, aiming to connect all post offices by 2030, exemplify the strategic direction required. **The Universal Postal Union (UPU) plays a central role in helping countries unlock the postal sector's potential as inclusive digital infrastructure.** As the UN specialized agency for the postal sector, the UPU supports governments and designated postal operators through a broad range of efforts. These include technical assistance to strengthen infrastructure, capacity building and training for postal staff and policymakers, and policy advocacy to create enabling environments for innovation and digital inclusion. The UPU also fosters cross-sectoral partnerships and promotes the integration of postal networks into national and global digital development agendas. Through flagship initiatives such as Connect.post, TradePost, and the Financial Inclusion Technical Assistance Facility (FITAF), the UPU advances its vision of a postal sector that actively contributes to social, economic, financial, and digital inclusion worldwide. The UPU welcomes collaboration with all stakeholders committed to ensuring that no one is left behind in the digital age.

Policy recommendations

Unlocking the postal sector's full potential as a driver of inclusive digital transformation requires **coordinated, cross-sectoral action** – no single organization or stakeholder can achieve this alone. Efforts must be **locally tailored,** reflecting diverse contexts, priorities, capacities, and constraints. This report outlines **targeted recommendations for key stakeholder groups,** summarized below for brevity. Further details are provided in the conclusion.

National governments

- Embed **inclusion** by design in national digital strategies, policies, and agendas to ensure services reach marginalized and underserved communities.
- Fully leverage national postal networks for inclusive digital service provision, recognizing their unparalleled rural presence.
- Recognize postal networks as a potential inclusivity layer for digital public infrastructure.
- Prioritize internet connectivity for all post offices, especially in underserved areas.
- Safeguard and strategically expand national post office networks – particularly in rural and underserved areas – to maximize their potential for inclusive digital service delivery.
- Avoid cost-cutting measures that reduce the physical postal footprint in ways that undermine multi-channel and inclusion-by-design strategies.
- Establish enabling policies and regulations to support designated operators' diversification into e-government, e-commerce, digital financial services, and connectivity services.
- Facilitate cross-sector partnerships between Posts, ministries, information and communication technology (ICT) agencies, and the private sector.
- Explicitly integrate postal networks into national digital transformation strategies and national development agendas.

Postal regulators

- Enable Posts to expand into digital services through supportive regulatory frameworks.
- Facilitate the Post's eligibility for Universal Service and Access Funds (USAFs/USFs).
- Mandate inclusive, multi-channel service delivery in universal service obligations.
- Promote innovation and reduce regulatory barriers to public–private collaboration.

Telecom regulators (where separate)

- Collaborate with postal regulators to grant Posts access to USAFs/USFs.
- Incentivize telecom–postal partnerships to expand rural connectivity.

Designated postal operators

- Work with governments and donors to connect unconnected post offices.
- Diversify into digital financial services, e-government, e-commerce, health, and connectivity and/or deepen offerings in each domain.
- Leverage the physical postal network for multi-channel service delivery.
- Maintain and strategically expand the physical network – including in rural areas – based on social and economic value, pairing locations with locally relevant digital services to advance inclusivity and revenue generation.
- Invest in staff training to ensure high-quality service delivery across channels.
- Participate in global cooperation, peer learning, and capacity-building initiatives.

International donors and development partners

- Recognize digital services offered by Posts as key enablers of the Sustainable Development Goals and digital inclusion.
- Support DPI-aligned integration of Posts into digital policy frameworks.
- Fund connectivity upgrades and pilot programmes for Posts, especially in low-income and rural areas through national initiatives and global ones like Connect.post.
- Encourage public–private partnerships and knowledge exchange.
- Integrate Posts into broader digital development programmes and support research efforts.
- Support data collection, mapping, and research initiatives documenting the postal sector's contributions to digital inclusion and identifying opportunities and challenges.

Universal Postal Union

- Support governments in creating an enabling environment through forward-looking policies, investment in digital infrastructure, and the fostering of public–private partnerships to drive innovation.
- Provide digital transformation technical assistance to governments and designated operators to help them increase their contribution towards socio-economic development.

Raise awareness, through advocacy and expert policy briefing and reporting, of the role of the postal sector in achieving national, regional and global digital transformation goals.

Collaborate with other United Nations entities and development partners to mobilize resources and foster synergies for delivering essential digital services via the connected postal network.

Deliver capacity building and training activities to postal staff, regulators and policymakers on issues relating to digital transformation through the postal sector.

International organizations and UN agencies

Advocate for the inclusion of Posts in global digital agendas (e.g., Global Digital Compact).

Invest in strengthening Posts' digital capacity, especially in developing countries.

Private sector

Partner with Posts to co-develop and scale digital services in underserved markets.

Utilize Posts' infrastructure to extend market reach and build inclusive delivery models for essential services.

Identify and leverage complementary strengths between the private sector and Posts to develop mutually beneficial business models.

Pilot and document innovative collaborations with Posts.

Civil society and community-based organizations

Collaborate with Posts on digital skills, outreach, and needs-based service design.

Advocate for the inclusion of postal networks in digital development efforts.

Monitor and provide feedback on service inclusivity and accessibility.

Academia and research institutions

Conduct impact evaluations and data mapping to quantify the postal sector's role in digital inclusion and inform future action.

Partner with Posts to inform evidence-based policy and share successful models.

– Facilitate knowledge exchange and dissemination of research findings.

Methodological note: *The analysis presented in this report is informed by self-reported survey data from 153 designated postal operators. While offering valuable insights, these findings should be interpreted in the light of the methodological considerations outlined in the full report.*

Posts already promote inclusion through digital services

70% OF POSTS PROMOTE DIGITAL INCLUSION THROUGH PROVISION OF AT LEAST 1 **DIGITAL CONNECTIVITY** SERVICE OR SOLUTION.

71% OF POSTS PROMOTE ECONOMIC INCLUSION THROUGH **E-COMMERCE** SERVICES

51% OF POSTS PROMOTE SOCIAL INCLUSION THROUGH **E-GOVERNMENT** SERVICES.

58% OF POSTS PROMOTE FINANCIAL INCLUSION THROUGH **DIGITAL FINANCIAL** SERVICES.

11% OF POSTS PROMOTE UNIVERSAL HEALTH COVERAGE THROUGH **DIGITAL HEALTH** SERVICES.

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