

Rail Operators to be Renationalised Next Year in Great Britain

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The UK Labour Party has announced that three rail companies will be renationalised next year [1].

In Britain, rail services were handed over to private companies in the 1990s, and would operate on fix-term contracts. They operated mostly just like any other private company and would have to manage their own finances, but during the coronavirus pandemic, the government introduced emergency measures to ensure the continued operation of the railways.

During this period all the financial burden of maintaining Britain's railways would fall on the government, i.e. the taxpayer, while the companies were paid a fixed fee to manage and operate the services. This meant that public money was used to ensure that private companies made a profit [2].

Labour plans to renationalise these train companies when their contracts expire. By doing this, they avoid paying compensation to these companies. They also plan to create a new body called Great British Railways (GBR) to take over the service and be responsible for maintaining and improving the rail infrastructure.

The transport department stated that nationalisation would help improve reliability, boost economic growth, and save £150m per year in fees. This is in line with Labour's vision. In [previous articles](#), we have shown how Labour's goal is purely increasing the profits of capitalists and reducing public spending.

However, private rail companies such as Rail Partners have criticised the move, stating that:

"The key to both improving performance and holding down fares is restoring the railway to financial sustainability. It is counterintuitive to start removing private sector operators from the system, with their track record of delivering growth to reduce subsidy, when the question of what will replace them long-term won't be answered until further rail legislation is introduced." [3]

This reaction is to be expected because nationalisation means that these private companies and the capitalists that own them can no longer profit directly from providing these services. But it does not follow that nationalisation in itself is a victory for the working class in Britain.

Despite renationalisation, fares are set to rise by 4.6% from March 2025. The Labour government, which is trying to present Britain as a profitable country to invest in, will avoid spending as much as possible in order to remain profitable. Its [new budget](#) makes this very clear

It remains to be seen whether services will improve or not, but even if they do, the burden of maintaining them will continue to fall on the working class. Moreover, there is no guarantee that rail services will not be privatised again in the future.

Governments are not "above-class" institutions. Members of parliament are often bribed (directly or indirectly) through, for example, lobbies. In other cases, they are capitalists themselves [4]. Because of this, when it takes control of businesses and runs them for profit, the state essentially acts as a capitalist.

Nationalisation is often just a tactic to improve the condition of the local capitalists collectively at a particularly difficult time, such as during an economic crisis or periods of conflict. By nationalising essential industries, it can mitigate some of the chaotic effects of a market economy and attempt to guide it during those periods, while ensuring the wealth remains within the country rather than exported abroad by foreign owners.

"In reality, the British Labour government, while "nationalizing" some industries, tried only to strengthen state-monopoly capitalism and save the capitalist system. As a result of such "nationalization," the profits of the former owners of enterprises have not only not decreased, but even increased, the dominance of capital in England remained untouched." [5]

In reality, the condition of the working class does not improve significantly under capitalism and, however little it may be, it is never permanent as the capitalists will take every penny that they can. Nationalisation can only reach its full potential in a socialist society.

"To the cry of the middle-class reformers, "make this or that the property of the government," we reply, "yes, in proportion as the workers are ready to make the government their property."" -James Connolly, "State monopoly versus Socialism"

Under socialism, all the means of production are the common property of the working masses. This means that the capitalist class ceases to exist within the nation-state as there is no class of people who privately own factories, land, offices and shops, and therefore national industries serve the interests of society as a whole, rather than a minority class of exploiters.

The working class will realise through its experience that this or that nationalisation under capitalism does not deal with the root of its problems. But it is necessary to have a vanguard party; capable of gaining the trust of the proletariat and guiding it in its struggle towards permanent solutions, in its struggle towards socialism.

At the moment there is no such party. If you want to help us in our mission to build these parties, consider [joining Politsturm](#).

Sources:

[1] BBC — [Rail fares to rise despite renationalisation plans](#) — 03/12/2024

[2] RMT — [Profiteering at a time of crisis - RMT report](#) — 21/07/2020

[3] Rail Partners — [Rail Partners responds to announcement regarding train operators being brought into public ownership](#) — 04/12/2024

[4] The Financial Times — [New Labour MP is biggest landlord in House of Commons](#) — 23/08/2024

[5] Konstantinov F.V. Historical Materialism. State Publishing House of Political Literature. Moscow, 1950. Chapter 5. Pp 239

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