

UK Labour Party rail policy: A pro-capitalist rescue plan

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17 May 2024

After 30 years of privatisation Britain's railways are in a disastrous state. When British Rail was privatised by the Conservative government in 1993, after decades of deliberate underfunding, they claimed the injection of private capital and market competition would lead to better services, lower fares and greater efficiency. It has failed on all counts, while delivering a profit bonanza to shareholders.

The indices of this market-driven failure are known to rail workers and the public through extortionate fares, unreliable trains, de-staffing, and almost daily breakdowns of crucial mainline arteries. Sustained cuts in Network Rail jobs and maintenance schedules have resulted in degraded rail infrastructure, landslides, derailments and signal failures.

Labour's Shadow Secretary of State for Transport Louise Haigh announced her party's rail transport policy, "Getting Britain Moving: Labour Plans to Fix Britain's Railways," on April 28. Labour's chosen venue for the policy launch was London's corporate headquarters of private ticketing firm Trainline, whose CEO Jody Ford introduced Haigh to the assembled media.

Haigh presented Labour's plan as sweeping away the Tories' broken franchise model. She pledged that Labour would not renew contracts for the remaining 10 private train operating companies (TOCs) when they expire over the next five years. They will instead be placed under the direction of a new national structure, Great British Railways (GBR), as a "guiding mind."

Already, 40 percent of TOCs have failed and been bailed-out by the government under "operator of last resort" measures. Even this has been handed to the profiteers. A consortium of Arup Group, Ernst & Young and SNC-Lavalin Rail & Transit runs the franchises for the Department for Transport.

Haigh blamed the rail crisis on "14 years of tinkering" by the Tories through "perennial underinvestment, fragmentation, inefficiency and waste." By "tinkering" Haigh means an unending assault on rail workers and passengers, and the transfer of billions in subsidies to private shareholders.

But Labour was not some passive bystander. Thirteen years of privatisation, from 1997-2010, were under Labour governments led by Tony Blair and Gordon Brown. During the 1997 election campaign, soon-to-be Deputy PM John Prescott

told rail workers that Labour would renationalise the railways. When elected, rail privatisation became a cornerstone of Labour policy.

Much of Labour's current rail plan has been adopted wholesale from the Tories. They will use the Tory's GBR structure and Derby headquarters. Members of the current GBR steering committee, including senior figures from the private sector, will be brought in alongside the Rail Delivery Group to appoint Labour's version of the GBR board.

Prior to the press conference, Haigh had claimed that all savings from ending the rail franchises—approximately £2.5 billion per year—would be ploughed back into rail infrastructure. Asked about this at the policy launch, she confirmed this would *not* be the case, citing Labour Shadow Chancellor Rachel Reeves' "iron-clad fiscal rules." Reeves has praised Margaret Thatcher for ushering in "a decade of national renewal".

Labour will run a broken railway network with no new money. The "efficiencies" Haigh describes will be extracted from the remaining workforce through increased productivity, pay cuts and public fare increases.

The "renationalisation" myth

Labour's rail plan is not a programme of "renationalisation" but an effort to rescue a collapsed privatisation strategy and to safeguard the interests of British capitalism. Haigh confirmed they have no intention of reversing other privatisations such as Royal Mail, citing the expense of compensating shareholders.

Labour's rail plan will protect big business:

*Rolling stock companies worth billions will continue owning and leasing trains and carriages privately. Mary Grant, chief executive at rolling stock leasing firm Porterbrook has welcomed "the party's commitment to leverage private capital to help deliver its long-term strategy for rolling stock".

*Rail freight companies will "remain within the private sector", with their contracts managed by GBR. It will have "a statutory duty" to promote the use of rail freight, "with an

overall growth target set by the Secretary of State.”

*“Open access” rail services will be left untouched. These are independent private operators (such as Hull Trains and Lumo) that pay to use spare network capacity or to supplement existing contract operators. Labour declares that these open access services aid market “competition.”

Asked at Labour’s press conference, “Is this a pro-business proposal?” Haigh replied: “We’re not ideological about this, we are encouraging working with the private sector, both through open access, with freight, and with the wider supply chain, which is why these plans today have encouraged endorsement from a really wide range of industry experts, including Keith Williams, who was the architect of the Tories’ reforms.”

The *Guardian* newspaper described Labour’s rail policy in wistful terms as the beginning of a raft of “progressive” Labour policy announcements ahead of the general election. Yet it was forced to admit the policy was essentially “drawn up for Boris Johnson by a rail review chaired by Keith Williams, the former chief executive of British Airways.”

Mick Lynch, General Secretary of the Rail, Maritime and Transport union (RMT), declared Labour’s policy was in the “best interests” of rail workers and described it as a commitment to a “new unified and publicly owned rail network.” Mick Whelan, General Secretary of train drivers’ union ASLEF, stated it was a “stunning Labour Party vision for rail” that “delivers for the economy, for the taxpayer, for passengers, and for staff.”

Lynch’s public criticisms of Starmer over his 2022 threat to sack Labour MPs for visiting picket lines have been shelved. The rail unions are marching in lock step with Labour’s election campaign, the most right-wing, pro-business and militarist in history.

Labour to implement Tories’ stalled agenda

Haigh attacked the Tories for not enforcing aggressively enough its own rail policies: “The Conservatives have long known that the system is failing, which is why they commissioned an independent review by Keith Williams in September 2018. Yet, more than five years later, they have taken no action.”

Her pitch is that a Labour government will deliver on the core productivity and efficiency recommendations of the Williams-Shapps plan for rail announced in May 2021. Faced with a total collapse of the private rail franchises during the pandemic, and with the government forced to take over contracts forfeited by the train operators, the Williams-Shapps plan promised the TOCs they would be brought back in on more profitable terms under the guidance and support of Great British Railways.

The Tories spoke of “unleashing the private sector’s potential”, envisaging that “Operators will compete for the contracts, and we expect competition to be far greater than for the old franchises, with simpler procurement, lower costs and no one-size-fits-all approach.” It pledged to slash operating costs by 20 percent.

The rail unions at no point challenged the Williams-Shapps GBR agenda. Instead, during the pandemic, they intensified their collusion with the Tories, entering a series of government-sponsored agreements and industry bodies aimed at laying the ground for GBR. They were partners in the Rail Industry Recovery Group, and RMT, ASLEF, TSSA and Unite all signed an Enabling Framework Agreement that set out plans for a massive assault on the jobs, working conditions and pay of railway workers to implement the government’s GBR restructure.

When railway workers across the TOCs and Network Rail returned a wave of strike votes, the RMT and ASLEF divided industrial action on a sectoral and company basis, blocking any effective challenge to the government’s agenda. In November, the RMT ended strike action based on a below-inflation pay deal in year one, with any pay increases thereafter tied to workplace reform. While strikes by train drivers—deprived of a pay increase for five years—are continuing, ASLEF is calling for the same type of company-by-company settlement. As a result of the rail unions’ collusion with the Rail Delivery Group and the Great British Railways Transition Team, the government has already achieved £2 billion in rail reform savings since 2022, according to the National Audit Office—but this falls short of the £2.6 billion earmarked for completion by 2024-25.

The embrace of Labour’s rail policy by Lynch and Whelan is a warning to rail workers. Behind their PR talk about “re-nationalisation”, the rail unions are preparing to enforce the pro-market dictates of an incoming Starmer Labour government, finishing a job that the Tories were unable to complete.



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