

Germany: The privatisation of Berlin's local rail system and the role of the Left Party

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The author of this article, Andy Niklaus, is a candidate for the Socialist Equality Party (SGP) in the Berlin House of Representatives election which takes place on September 20. Further information on Niklaus, the other candidates, the SGP's manifesto and its election campaign can be found here.

The new contract for Berlin's local rail system, the S-Bahn, which the city's Senate concluded last month with Siemens, Stadler and the S-Bahn Berlin GmbH, is being portrayed in political circles and the media as a major step forward. Quite the opposite is the case.

With a value of over €5 billion—some media outlets put the figure at €20 billion, though the exact contract sum has not been disclosed—the new S-Bahn contract is the largest procurement process in the history of German transport, and marks the start of a new phase in the decades-long process of privatising Berlin's local transport system.

The Socialist Equality Party (SGP) opposes this privatisation and the associated attacks on workers' rights and achievements, as well as the dangers that inevitably result from cuts to maintenance and operational safety. Above all, we reject the illusion that the influence of the corporations and their pursuit of the most lucrative parts of public services can be curbed by supporting the Left Party.

The Left Party is not an opponent, but rather a supporter of privatisation. The tendering and award process, which was concluded last month, first began on August 8, 2020. At that time, Berlin was governed by a so-called red-red-green Senate comprising the Social Democratic Party (SPD), the Left Party and the Greens. The governing mayor was Michael Müller (SPD), and the deputy governing mayor was Klaus Lederer (Left Party).

In view of the widespread opposition even at that time, the Left Party attempted to conceal its support for privatisation by demanding that every round of privatisation be confirmed by a referendum requiring a two-thirds majority. But this smokescreen did not work. It is well known that three years earlier, at its state party conference in the spring of 2017, the Left Party had backed the move towards school privatisation. School buildings, along with their administration and management, were to be sold to private investors and then leased back.

Furthermore, in 2004, whilst in government at the time, the predecessor organisation of the Left Party had privatised the state-owned Gemeinnützige Siedlungs- und Wohnungsbaugesellschaft (GSW) and sold off 65,700 council flats to the American property fund Whitehall (Goldman Sachs) and the investment firm Cerberus.

As always with the Left Party: it talks left but in practice acts right!

But first, let's look at the facts regarding the S-Bahn privatisation.

The S-Bahn is a central backbone of Berlin's transport system and connects the city with the surrounding state of Brandenburg. Its network spans 345 kilometres and comprises 168 stations. Carrying around 1.4 million passengers on a typical working day, it transports a huge number of people and is of similar strategic importance to the city's functioning as roads, electricity or water supplies.

This essential part of public services is now being split into several

parts, reorganised at a cost of billions and privatised, all with a single aim: to maximise profits for the corporations Siemens Mobility and Stadler Rail AG. The Swiss company Stadler Rail Group is headed by the billionaire Peter Spuhler, who served for many years on the Swiss National Council for the far-right Swiss People's Party and is known for his confrontational, at times heavy-handed, management style.

It is foreseeable that, with the privatisation now underway, the S-Bahn will be geared towards profit, with devastating and potentially catastrophic consequences for staff and passengers.

Until now, the S-Bahn was a state-owned enterprise managed by S-Bahn Berlin GmbH, a wholly owned subsidiary of German Rail (DB), and thus part of the DB Group. Although the infrastructure was spun off several years ago, responsibility since 2024 has rested with DB InfraGO AG, which in turn is a federally owned railway infrastructure company. The letters GO in the logo stand for *gemeinwohlorientiert* (oriented towards the public good).

The privatisation process now underway is a complex contractual arrangement centred on the supply of 350 four-carriage trains (1,400 carriages) and the complete maintenance of the fleet over 30 years on lucrative terms. According to press reports, the Siemens and Stadler groups will be "deeply integrated into the S-Bahn structure and will be able to help shape its future direction."

This is a specific form of what is known as a PPP (public-private partnership), which has been used in Europe since the late 1990s as a key instrument for the privatisation of public services. In fact, PPP represents privatisation, not partnership! Under the guise of "cooperation" between the state and the private sector, public services—hospitals, schools, local transport, roads—are effectively handed over to private corporations. These corporations operate the facilities for contract periods of 25 to 35 years and gear public infrastructure towards generating profit for private corporations.

This regularly leads to wage dumping, a deterioration in working conditions, redundancies and, consequently, increased work pressure, the outsourcing and reduction of maintenance, a rising risk of accidents, and so on. In the UK, the privatisation of the railways began as early as the late 1990s and had disastrous consequences.

After just seven years, the British government found itself forced to buy back large sections of the network at a cost of billions.

There are several protest groups warning of the consequences of S-Bahn privatisation but most of them are associated with the Left Party and propagate the illusion that voting for the party could limit or prevent the drive towards privatisation in public services.

That is why it is important to understand current developments within a broader context.

The railway reform introduced in 1994 marked the beginning of the systematic transformation of the railways into a corporation operating on profit-driven principles. The West German rail network and the remnants of former East Germany's network were merged to form DB AG. The

Berlin S-Bahn network was spun off into S-Bahn Berlin GmbH, a DB subsidiary. The old rail network was a state-run enterprise serving the capitalist economy, but with the railway reform, many spheres of local and long-distance transport were turned into objects of speculation.

A similar development took place at the Berlin Transport Company (BVG). Although the organisation formally remained under state control, it was subjected to similar requirements: imminent tendering, cost-cutting, staff reductions, increased workloads and poorer collective agreements. Platform attendants, ticketing staff and service personnel were made redundant, whilst ancillary areas were outsourced or privatised.

The consequences were brutal. Tens of thousands of jobs were lost at East German railways which had employed 253,000 people in 1990. By the end of 1993, that figure had fallen to just 138,000. German Rail as a whole shrank from over 473,000 employees in 1994 to around 217,000 today. The BVG also shrank from 28,000 to 16,000 employees—providing transport for a city of 4 million and the surrounding Brandenburg region.

Under DB chief Hartmut Mehdorn, who had been commissioned by the SPD-Green federal government to prepare the (ultimately failed) flotation, DB cut a quarter of all jobs, reduced workshop staff by 75 percent and closed several workshops. The revenue the S-Bahn was required to pay to its parent company increased sixfold from €9 million to €56 million—including, in 2009, a total of €87.7 million. The result: broken-down trains, derailments, 380 carriages taken out of service following an accident at Kaulsdorf station, and service disruptions reaching 70 percent at times.

In Berlin and Brandenburg, rather than oppose these policies the Left Party, together with the Verdi trade union, helped to push them through. The SPD-Left Party Senate (2002–2011) and the SPD-Left Party-Green Senate (2016–2021) were responsible for massive cuts. In 2005, Senator for Economic Affairs Harald Wolf (Left Party), in alliance with Verdi leader Frank Bsirske and Senator for Finance Thilo Sarrazin (SPD), pushed through far-reaching cuts to social benefits.

The legendary “walk in the Grunewald woods” was a particularly stark demonstration of the betrayal of transport workers. Before the start of a planned strike by the Berlin Transport Authority, Wolf and Bsirske met for a private walk and, behind the workers’ backs, agreed on wage cuts of 16 percent and further drastic cuts.

A ballot had already been initiated at that time. It was hastily called off, the ballot boxes sealed, and Mayor Klaus Wowereit (SPD) publicly thanked Verdi for its “significant contribution to the restructuring of the state budget” (up to €50 million per year). The agreement divided the workforce into long-serving and new staff. The state-wide collective agreement, TVN-Berlin, cemented a 30 percent reduction in basic pay and significantly worse working conditions for newly recruited colleagues.

In 2007, the same SPD-Left Party coalition negotiated a transport contract with Transnet, Verdi and GDBA that increased working hours from 35 to 39 hours and cut around 900 of 3,700 jobs as a condition for the S-Bahn to be awarded the contract rather than external private operators.

The political response to the ensuing S-Bahn chaos was not to reverse privatisation, but to expand it. Under the pretext of breaking DB AG’s “market dominance,” the tendering process for the S-Bahn network was pushed through in three parts: the Ringbahn, the Stadtbahn and the north-south link.

The S-Bahn privatisation heralds a new phase of fierce class conflict. It is therefore important to understand what the Left Party is: a thoroughly bourgeois party that supports the federal government’s massive rearmament and the associated social cutbacks.

The Left Party voted in favour of the war credits in the Bundesrat, even though its approval would not even have been necessary. Regarding the planned attacks on pensions, health and long-term care insurance, education and culture, the Left Party merely criticises “technical errors”

and regularly offers its cooperation to the CDU/CSU-SPD federal government. Wherever the party is in government, it pursues the same right-wing policies as the CDU/CSU, the SPD or the Greens.

In the fight against privatisation, transport workers and all public-sector employees are confronted not just with a single company, but with the government. They need a socialist programme and an international strategy. This means that the working class needs its own party.

That is why the Socialist Equality Party (SGP) is standing in the Berlin election in September. It opposes all parties that stand for war and social cuts—and thus explicitly the Left Party as well. Its election appeal states:

The SGP is fighting to defend every job and against all cuts to wages, pensions, healthcare, education, culture and public infrastructure. But this struggle cannot be left to the trade union bureaucrats, who act as co-managers alongside corporate boards, enforce redundancies and pay cuts, and support military build-up.

That is why we call for the establishment of independent action committees in all workplaces, neighbourhoods, schools and universities.

These committees must take decision-making out of the hands of corporate boards and trade union officials and organise the struggle against redundancies, cuts and war policies. To unite workers across workplace and national borders, we have launched the International Workers Alliance of Rank-and-File Committees (IWA-RFC).

To stop the capitalist offensive of war and cuts, the masses themselves must intervene in political affairs, break the power of the banks and corporations, and fundamentally democratise society.

Transport workers have already begun setting up an action committee. Find out about upcoming activities and become an active supporter of the SGP election campaign.



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