

Expanding world of private prisons

Martin Gosling asks whether those behind the growing trend to involve the private sector in providing and running prisons are asking the right question

Governments confronted with rising prison populations increasingly face a complex choice – whether or not to invite the private sector to build and run new prisons.

Some administrations, notably that in the UK, are convinced that by creating a market, standards will be driven up by competition.

To ensure uniformity of standards, targets set for both state and privately run prisons can be monitored and enforced by a system of rigorous government inspection.

But rather than characterise these developments as being the public sector threatened by private enterprise, G4S Justice Services sees benefits in a partnership approach. It points out that the resources and expertise of public, private and voluntary elements can work together in providing a complementary and vigorous model of service delivery.

However, opting for a mixed economy of justice services – particularly the provision of prison places – is not a straightforward matter and for some countries is proving controversial. It is

argued that since imprisonment is authorised by the courts and is an integral part of the process of criminal justice, the state cannot lawfully give up its prerogative to punish wrongdoers.

But opponents of this view point out that as long as a government sets standards and ensures that they are maintained, it retains the ultimate authority to decide the process and nature of the treatment of those dealt with by the courts.

Making these decisions may have been most difficult in countries that have emerged from a totalitarian regime, where private involvement would previously have been unthinkable. Nevertheless, former East European nations such as Poland have grasped the opportunities offered by Public Private Partnerships (PPP) and Private Finance Initiatives (PFI). Where the building of a new prison has become an urgent priority, at an up-front cost of €80–100 million (£53–£67m), the benefits of involving private enterprise have great appeal.


In Bulgaria, as in other countries which acceded to the European

Union in January 2007, the debate has already begun and the Ministry of Justice has recently indicated that it is open to the idea of private involvement, acknowledging that it needs to make improvements to its human rights record and the existing prison infrastructure.

Having resolved the problems arising from unification, Germany has adopted a tentative approach to market opportunities. There are 16 states in the united Germany but federal law is supreme in deciding matters of penal policy. Its first private prison was opened in November 2005 but only 40 per cent of staff are from the private sector and they are not permitted direct contact with prisoners.

As well as recognising the financial benefits of public and private partnerships, Germany has seen that private involvement works. The next prison to be built will be financed, constructed and operated commercially, but again will limit private staffing to 40 per cent.

G4S Justice Services is well placed to bid for contracts in those countries where the market is opening up. It is already well



established in the Netherlands and is the only private contributor to the work of the Dutch Ministry of Justice. The number of G4S Justice Services employees in the Netherlands is set to rise from 1,000 to 1,600 in the next 18 months with new operations coming on stream.

G4S currently has responsibility for operating a number of prisons as well as two ships housing detainees and will double the number to four over the next six months. In addition, a new prison for 350 men at Alphen aan den Rijn is nearing completion and will be managed by G4S Justice Services (Netherlands).

By far the largest scope for competition lies in the United States where there is a flourishing market in the provision and running of private prisons. A majority of the 50 States now involve private enterprise in supplying prison places and G4S Justice Services is well established in this competitive field, running nine correctional youth facilities together with the acclaimed Street Smart programme which works in conjunction with Avon Park Youth Academy in rehabilitating young offenders.

Given that the US has the world's largest proportional prison population, it is likely that the number of privately run custodial places will continue to multiply.

In 2004, the UK Government embarked on a programme of fundamental change to the existing structures of criminal justice. Although 11 of the 139 prison establishments in England and Wales are already run by private companies, the proposed changes will open up the entire prison estate to possible competition. Following The Carter Report, which was commissioned in response to the steady rise in rates of re-offending, both the Prison and Probation Services were merged into the National Offender Management Service (NOMS).

Other changes recommended by the Report, if fully implemented, will be so far reaching that new legislation will be necessary, but the outcome could be of considerable importance to G4S Justice Services and other private bidders. Any prison or probation area deemed to be failing to meet standards and targets set by the Home Office

would be vulnerable to competition. The watchword in this initiative is "value for money" and the successful bidder for any operation will need to demonstrate a capacity for efficiency as well as effectiveness.

There is scope, too, for a different level of input by the commercial sector. Probation areas will be required to look beyond existing providers of services – such as drug testing and electronic tagging – and to develop an open and wider approach to the commissioning of services from a range of private and voluntary sources.

But, as in the expansion of private prison markets world wide, perhaps the wrong question is being asked. Rather than a contract being awarded to the business running the most efficient, secure and humane enterprise, the crunch decider should be – who can deliver the greatest reduction in rates of re-offending? For it is this factor that will govern the future size of prison populations.

And the private company that can crack that one will surely have the ear of every government across the globe! ■