Accounting for values in prison privatization

Andrea Mennicken examines challenges involved in the transformation of the prison into an ‘accounting entity’

Since the 1980s, in the UK, market oriented, private sector-based management and accounting frameworks have been introduced into the public sector in an attempt to increase efficiency in the allocation of financial and human resources, to enhance managerial accountability, and to aid experimentation with mixed public–private organization. At present, the UK has Europe’s most privatized criminal justice system. Of the current 119 prisons in England and Wales, the management of 14 has been contracted to private companies such as Sodexo Justice Services, Serco and G4S Justice Services (NOMS Annual Report 2014–15). The prison privatizations are part of wider processes of market oriented governmental reform. These reforms did not only affect private prison establishments, but also the public sector. They aimed at transforming the prison (public and private) from a rules-based, bureaucratic institution to a performance oriented, calculating organization.

This article is concerned with the challenges involved in the transformation of the prison into an ‘accounting entity’. Numerous studies have shown that the profit orientation of contracted-out prison management can run the danger of losing sight of traditional prison values, such as rehabilitation, prisoners’ decency, safety and security, prison staff morale and job satisfaction. Globally operating security corporations, like G4S Justice Services, Serco and Sodexo Justice Services, which run private prison establishments in England and Wales today, are interested in economic gains. They think about prisons in terms of business: a multinational industry involving not only security firms, but also catering companies, construction firms, suppliers of prison furniture and clothing, and many others with a commercial interest in incarceration. In such a context prison values concerning, for example, prisoners’ safety, decency and rehabilitation, may be undermined by concerns of profitability and administrative efficiency. What roles can accounting, in particular instruments of prison rating and performance measurement, play in the organization and management of such value conflicts?

Coinciding with and stimulated by the first prison privatizations, since the early 1990s the government, the Prison Service in cooperation with the Home Office, and later the National Offender Management Service (NOMS) in cooperation with the Ministry of Justice, have been developing prison performance measures and ratings. This is not only to oversee contract fulfilment in private prisons, but also to enhance public sector prison accountability, to compare public and private prison performance, and to stimulate inter-organizational competitiveness and contestability. Formalized performance measurement systems were, on the one hand, aimed at bringing the economy of prison management to the fore, seeking to focus prison governors’ attention on issues of cost management and efficient process management. On the other hand, the performance measurement systems were enrolled in attempts aimed at prison value balancing, by including alongside measures of cost and efficiency, measures of decency, dignity and rehabilitation (see Liebling 2004 and measurements of the quality of prison life – MQPL developed by Alison Liebling and her team at Cambridge University). According to Espeland and Stevens (1998), one virtue of quantification is that it offers standardized ways of constructing proxies for uncertain and elusive qualities. Another virtue is that it is useful for representing value (ibid.), as it condenses and reduces the amount of information people have to process and simplifies decision making processes.

The first set of standardized key performance indicators (KPIs) and targets was introduced into the Prison Service in 1992–93. The introduction of the KPIs and targets was not only initiated by the recommendations of the Woolf Report and the 1991 Home Office White Paper following a series of prisoner riots. It was also the result of the organizational restructuring of the Prison Service in April 1993 into an executive (‘Next Steps’) agency, that is a government agency that would act independently from day-to-day ministerial oversight and the foundation of private prison establishments whose performance needed to be regulated and accounted for. The introduction of quantified measures was closely connected to the general rise of New Public Management in public services and pressures to publicly demonstrate private and public prison performance. Also private prison contracts were (and still are) drawn up based on detailed performance specifications in an attempt to enhance their legitimacy, to aid commensuration between different prison establishments and to establish a ‘common language’ for making judgments about the success or failure of private versus public prison entities. But what prison values should be included in the measurement of prison performance? How should one prioritize between different KPIs and targets? And to what extent could different (public and private) prisons be treated as comparable entities, if they differ significantly in terms of size, prison population, age and regional location?

We know from the numerous performance measurement studies in the accounting literature that even seemingly straightforward accounting
measures, like cost, are far from unproblematic. Performance measurement – even if diversely set up – can lead to a narrowing of accountability, for example, by promoting a focus on managing the numbers rather than wider processes, issues and social relations. As many previous performance measurement studies have shown, performance measures often yield only very limited insight into ‘what is going on’ in the entity they seek to measure and represent. Furthermore, KPIs often do not exist on an equal plane. Initially introduced in an attempt to balance the different potentially conflicting prison values of ‘custody, care and justice’ (Home Office 1991), the KPIs soon came to be hierarchized. In the years after 1995, following the escapes of nine high security prisoners in 1994-5 from Whitemoor and Parkhurst (both public sector prisons), we observe a shift from ‘value balancing’ to an enhanced focus on security. This shift is also reflected in the performance measures. Particularly between 1992 (when the first private prison was opened) and 1999, the accounting instruments of performance measurement put issues of efficient and effective organizational management, instead of the individual prisoner, to the fore. Yet, from 1999 onwards attempts have been undertaken by the Home Office to reform the performance measurement system ‘from within’ through the development of measures aimed at capturing prisoner experience. The Home Office commissioned Professor Alison Liebling (2004), Director of the Prisons Research Centre at Cambridge University, to conduct a research project aimed at developing ‘quantitative measures of qualitative dimensions of prison life’ along two dimensions: relationships (respect, humanity, trust, staff-prisoner relationships and support) and regimes (fairness, order, safety, well-being, personal development, family contact and decency). It is beyond the scope of this article to provide a detailed assessment of the success of this undertaking in reshaping and re-balancing prison value configurations. However, what can be said is that the Prison Service’s KPIs contributed not only to value hierarchization and the infusion of the Prison Service with market-oriented ideals of efficient, economic management. They also serve as a platform for debate about prison values and reform, not least because of the public attention and criticism they attract. To be sure, the effects of systems of quantification on value configurations are highly ambivalent. Performance measurement instruments, such as the prison KPIs discussed here, can easily lead to a narrowing of accountability and an increase in value hierarchization, for example by leading to a prioritization of issues of security and procedural correctness over values of rehabilitation and individual prisoners’ dignity. But equally, we should not be too quick to dismiss the potential of performance measures to serve as an important catalyst of problematization animating and focusing debate (for example on the roles of prison and conditions of prison life), even though this might only be a secondary unintended effect.

This article is based on two of the author’s publications (Mennicken 2013; 2014).

References


Andrea Mennicken is Deputy Director of carr and Associate Professor of Accounting at LSE.