Employment of Prisoners and Estonian Prison Industry Ltd.

Summary

The audit is based on the premise that engaging a prisoner in useful and meaningful work increases the probability that when released from prison he or she becomes a law-abiding citizen. Through useful and meaningful work a prisoner acquires work skills, which significantly contribute to his or her ability to find employment after release. Work is the central factor reducing the risk that ex-convicts return to crime.

The aim of the audit was to provide the Parliament with a survey of the use of money for job creation in prisons, the costs of job creation and the results achieved; the audit also aimed to provide specific recommendations to the Minister of Justice on how to conclude a contract under public law with Estonian Prison Industry Ltd. so as to ensure the attainment of the aim in the best possible manner.

Up to 2001, the employment of prisoners was the responsibility of prisons. At the beginning of 2001, Estonian Prison Industry Ltd. was established and thereby the former system of prisoner employment was reorganised. The responsibility of prisons was limited to prison service jobs and Estonian Prison Industry Ltd. undertook to organise work, which creates added value (production, services, etc.).

Percentage of employed prisoners and expenditures on the organisation of prisoner employment in 1996 to 2001:

	1996	1997	1998	1999	2000	2001
Expenditure on organization of prisoner	4 442 399	3 414 753	8 135 728	8 119 230	7 927 046	7 573 424
Percentage of employed prisoners	33,83	29,99	28,57	29,82	29,13	30,73

Central proposals

- The State Audit Office (SAO) recommends the Minister of Justice to determine and define in a suitable policy document the aim of the employment of prisoners and its desired impact. The possible aims of prisoner work include:
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  - earning profit to the state, thereby compensating for the costs of incarceration and damage caused by the crime committed (profit-oriented work);
  - giving the prisoners qualification and work experience that would simplify finding work and socialisation after release (socialising work).
  - According to the assessment of the SAO, Estonian Prison Industry Ltd. can reasonably be financed from the state budget only if it performs a significant social role by engaging and training prisoners without any qualification and work habits.
- Despite the aims set, the Ministry of Justice should require that Estonian Prison Industry Ltd. submit precise information on the costs associated with specific activities and business processes as well as individual products, services, and clients (incl. prisoners). This information should enable the Ministry to conduct financial analysis and make adequate decisions on the financing of Estonian Prison Industry Ltd. Without such information and analysis it is not possible to be assured of the grounds and purposefulness of financing.
- The prospective contract under public law should stipulate performance reporting that would measure not only the number of jobs created, but also the nature and usefulness of work and its impact on prisoners. The reports should also include information on the cost of a job.

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The Minister of Justice accepted all the proposals made by the SAO. The Minister's answer is enclosed with the present report.

Margus Kurm
Head of Department