

Business Briefing: questioning the economics of prison

Written by The Conversation

There are more than 41,000 daily full-time prisoners in Australia, [according to the latest ABS data](#). Many of them are in private prisons - almost 20% of the prison population [according to a 2014 Productivity Commission report](#).

But we don't really know whether private prisons are more cost effective or produce better results. Private prison contracts are often "commercial in confidence", and it's hard to know what exactly we've paid for. All this means we have to rely on watchdogs to ensure taxpayers are getting value for money, and it's tough for companies to really compete.

Read more: [Private prisons and the Productivity Commission: where is the value for money?](#)

Prison job programs are often touted as a way to reduce prisoner recidivism, but again there is little evidence showing a positive impact. Joanne Wodak was a research assistant on a [study in the Northern Territory](#). Despite positive feedback from both prisoners and employers, Wodak says these programs don't address other, important factors affecting recidivism such as alcoholism and homelessness.

Technology could drastically change what a prison is and who is in them - through the use of [algorithms that decide who gets bail](#), for instance. But as the University of Sydney's Sandra Peter and Kai Riemer discuss, it's unlikely to have an impact on the jobs prisoners themselves do. Low wages mean that prisoners provide an incredibly cheap source of labour, and the economics of this is unlikely to be drastically changed by technology.

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