

Republican Perspective

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THE JOBLESS FUTURE

“Big pay and little responsibility are circumstances seldom found together.” Napoleon Hill

Governor Brown proudly announced his support for a \$15/hour minimum wage by the year 2022. Labor unions are very pleased that their “Fight for \$15” is coming to fruition. So are many community activists who call for a “living wage” regardless of an individual’s skill set.

Employers and entrepreneurs are not stupid and they will find ways to maintain profits or face closure. The Fight for \$15 will accelerate the automation and robotics movement, thereby displacing the very workers that unions, government and social workers sought to help. When labor costs rise, the price of automation becomes more doable.

Carl Jr’s / Hardee’s is exploring ways to introduce automation into its restaurants. The CEO recently said that he wants to try a fully automated restaurant. “We could have a restaurant that’s focused on all-natural products and is much like an Eatsa, where you order on a kiosk, you pay with a credit or debit card, your order pops up, and you never see a person.” The CEO went further to say, “With government driving up the cost of labor, it’s driving down the number of jobs. You’re going to see automation not just in airports and grocery stores, but in restaurants.”

A San Francisco company, Momentum Machines, Inc. has developed a machine that is capable of producing about 360 hamburgers per hour. It shapes burgers from freshly ground meat and then grills them to order to add the right amount of char. It also toasts the buns and slices tomatoes, onions and pickles. The co-founder of the company said their objective is not to make employees more efficient but its machine is “meant to completely obviate them.”

Should Momentum Machines take hold, millions of people holding low-wage jobs could be displaced. The LA Times has reported that nearly 90% of fast-food workers are 20 or older, and the average age is 35. The Fight for \$15 might become victim to the law of unintended consequences.

Automation and robotics will not just impact the fast-food industry. Many white collar jobs are at risk. Such is the case in journalism. Northwestern University’s Intelligent Information Laboratory created a software program called “StatsMonkey.” This software automates sports reporting by transforming objective data about a particular game into a compelling narrative. The researchers then built a more powerful software called

“Quill” that is now used by top media outlets including Forbes, to produce automated articles addressing sports, business and politics.

Work Fusion is another start-up company whose software analyzes a project to determine the tasks that can be automated and must be done by in-house professionals. The software almost completely manages the execution of projects that were previously very labor-intensive.

The London Symphony Orchestra performed a composition that was entirely composed by a machine! “Transits - Into an Abyss” was created by Iamus, a cluster of computers running a musically inclined artificial intelligence algorithm. Artificial intelligence software is also making photos look like they’ve been painted, similar to Photoshop.

Powerful algorithms are being used by law firms to analyze documents that are relevant to their litigation. This e-Discovery software displaces large numbers of junior lawyers and paralegals.

In addition to the use of software programs to reduce employment, companies are also embracing robots. Tesla uses 160 industrial robots to assemble nearly 400 cars/week. The robots are able to swap the tools needed to complete a variety of tasks. The same robot installs the seats, retools itself, and then applies adhesive and drops the windshield into place. So much for all those “green” jobs!

We are at the beginning of an age of transformative growth of robotics. Kroger, the large grocery company, has several highly automated distribution centers. Its system is capable of receiving pallets containing large supplies of a single product, disassembling them and creating new pallets containing a variety of different products that are ready to ship to stores. No employees are needed except for loading and unloading the pallets onto trucks.

The Wall St. Journal recently reported that TraPac, LLC, a terminal operator at the Port of Los Angeles has more than 24 giant robots handling cargo containers. Per the WSJ this is how global trade will move in the near future: using highly automated systems and machinery, with minimal human intervention, to handle the goods that new free-trade agreements will push to the docks.

While both Republican and Democratic candidates promise to “bring back jobs,” the increasing use of automation and robotics will be a disruptive force. The impact to California may be significant. With its ranking of 48th in the cost of doing business and 48th for business friendliness, companies choosing to stay will use technology to reduce employment costs. It will significantly impact individuals graduating from inner-city schools that are functionally illiterate.

Hmm! Do you think labor unions and Progressives will demand that robots receive a living wage???