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Who is to blame for McDonald's' labor shift?

ANTONY DAVIES & ERIKAGRACE DAVIES | Monday, Dec. 12, 2016, 9:00 p.m.

McDonald's is replacing its cashiers with robots. The teenagers, grandmas, young moms and disabled who have been able to fall back on part-time fast-food work over the last 60 years are being fired.

This is wrong, and someone is at fault. But who? McDonald's?

McDonald's isn't to blame. Investors entrust McDonald's with their savings and so McDonald's must do everything it can to produce a quality product at a low cost. If McDonald's can get cheaper, more effective work from a machine than it can from a human, then McDonald's will purchase the machine.

But is technology at fault? Technology isn't to blame, either.

Technology does destroy jobs. But it also creates jobs. Technology eliminates jobs that humans are not good at, and it creates jobs that humans are better at. Machines are good at doing boring, dangerous and repetitive tasks. Humans are good at performing tasks that require thought and creativity. It is because of technology that machines now dig mines, forge metal and haul goods.

But what happened to those displaced miners, blacksmiths, and teamsters? They became backhoe and machine press operators, and they learned to drive trucks instead of horses.

But the teenagers, grandmas, young moms and disabled put out of work by McDonald's' machines are not moving on to more productive jobs. Why not? Who is to blame?

McDonald's is replacing people with machines not because technology made the machines cheaper but because something made the people more expensive. Technology isn't to blame.

Government is to blame.

Politicians in Seattle, San Francisco, Los Angeles and other cities raised the minimum wage with the intent of helping workers earn more money. But raising the minimum wage has an additional effect: It makes workers more expensive. Recent increases have made workers so much more expensive that, by comparison, machines are now cheaper.

The increased cost has forced McDonald's to let its unskilled workers go. And there is no place for them to go because technology — the simultaneous destroyer and creator of jobs — did not destroy these jobs, and so it has not created new ones in their place. Government destroyed these jobs and left unemployment in their place.

Yes, minimum-wage workers who kept their jobs are earning more. But they aren't earning more because they are more productive. They are earning more because the minimum-wage law took income away from the less-skilled poor and gave it to the more-skilled poor.

So how are the unemployed to survive? By leveraging their comparative advantages: thought and creativity. In online labor markets, unskilled people can make a few dollars for identifying phone numbers on pictures of receipts, by transcribing audio files, or by doing other “gigs” — the internet term for online work. These are simple things, but they are things machines can't do because they require thought.

Government regulation hurts the exact demographic it was intended to help, and the market now offers a solution. So long as online labor markets escape politicians' meddling, our teenagers, young moms and grandparents will have at least something to fall back on. That's more than the minimum wage has given them.

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