Making the wrong argument about supermarket cashiers [1]

Written by **Tim Worstall** [2] | Tuesday 8 October 2013

Farhad Manjoo makes a valiant attempt to insist that supermarket cashiers aren't going to be out of a job any time soon. So what's with all those self-checkout things then [3]?

> In a recent research paper called "Dancing With Robots," the economists Frank Levy and Richard Murnane point out that computers replace human workers only when machines meet two key conditions. First, the information necessary to carry out the task must be put in a form that computers can understand, and second, the job must be routine enough that it can be expressed in a series of rules. Supermarket checkout machines meet the second of these conditions, but they fail on the first.
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> They lack proper information to do the job a human would do. To put it another way: They can't tell shiitakes from Shinola. Instead of identifying your produce, the machine asks you, the customer, to type in a code for every leafy green in your cart. Many times you'll have to look up the code in an on-screen directory. If a human checker asked you to remind him what that bunch of the oblong yellow fruit in your basket was, you'd ask to see his boss. This deficiency extends far beyond the checkout lane.

All of this is entirely true and also very near irrelevant. Because employers are not in fact looking at the best way of doing something. They're looking at the most productive way of doing something.

And most productive depends, in this case at least, on two things. What are the costs of the different ways of doing the check out and, much more importantly, who is bearing those costs?

Let's imagine that the machines cost the supermarket less than the cashiers. That certainly sounds about right: technology has marched on and those systems, I would guess, would be cheaper than several years wages for enough cashiers to cover all of the shifts. Therefore the supermarket is going to be installing more machines. And it doesn't actually matter to the supermarket if the machines aren't as "good" as cashiers.

For here "good" is a function of how much time it takes to complete the task. And by getting us to line up at the machines the supermarket has made that time a cost that it isn't carrying. Instead, it's us the customers who are carrying that cost. It's an externality to the sums the supermarket does, is not included in hte numbers they face. The machines may well be a worse deal for us, the consumers, but a better one for the supermarket, the producer. All of which means they're going to keep installing those machines because their incentives are to do so.

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