

RFID and the Worker

Will RFID take people out of the loop—and leave them on the street?

By Mark Roberti

Nov. 29, 2004—When I was a teenager, listening to rock 'n roll in my bedroom and resisting parental pleas to cut the lawn and take out the garbage, my dad used to say: "Work is God's gift to man." My glib, smarter-than-thou response: "Don't be silly, Dad. Girls are God's gift to man."

Well, I've come to realize my father was right. Whether our job is to produce millions of items with almost no defects, to deliver millions of products to the right place at the right time, to sell myriad products to ever-more-demanding consumers or even to provide good information to those who need it, work defines us and gives us pride. And it's why I have thought long and hard over the past few years about the effect RFID could have on employment.

This is an issue some end users would prefer not to talk about because it raises concerns among unions and could associate RFID with something negative—layoffs. But *RFID Journal* decided to tackle the issue head on in this week's feature, [Man Vs Machine: The New Battleground](#). It's my belief that RFID will have a profound impact on the way we do business, and it's best to address change openly and honestly.

There is no doubt that there has been a shift away from manufacturing jobs for the past few years. There was a lot of talk in the recent U.S. presidential election about jobs flowing overseas. But the fact is even China is losing manufacturing jobs to automation. RFID is a tool that will be used by companies worldwide as they continue to automate. And it's not the only tool they'll use. The conclusion many draw from this is that RFID will naturally lead to an increase in unemployment.

Yet, it would be simplistic to think that using technology to automate certain tasks automatically translates into lower employment. Between 1998 and 2000, companies spent more than \$1.3 trillion globally on information technology, according to IDC, the technology research firm based in Framingham, Mass. Much of that money went toward replacing call center employees with self-service Web sites and to replacing clerks and administrators with software tools that could generate reports at the push of the button. But a funny thing happened on the way to automation nirvana—unemployment *plunged* to levels not seen in 50 years.

Technological innovation and automation lead to greater productivity, and greater productivity leads to more wealth—both corporate and personal (wages rose rapidly at the same time companies were trying to automate jobs in the late 1990s). Greater wealth leads to job creation (people have more money to buy more goods).

If in 10, 15 or 20 years, every item produced has an RFID tag, many menial jobs will go away, but there will also be a dramatic increase in both information jobs and service jobs. Companies will be able to make and move far more products with far fewer people. But because the goods will cost less to produce, more people will be able to afford them. And many more people will be needed to manage the massive increase in goods flowing through the supply chain and service all of the new customers.

These are just my observations. I have no studies to back them up. If legislators really want to do something positive for consumers, they would fund research on the impact RFID will have on the nature of jobs and the

workforce. Once they understand the change that is coming, they can develop policies that serve the needs of both companies and workers.

Over the next 10 years, hundreds of thousands of new jobs for RF engineers, systems integrators, software designers and manufacturers of RFID system components will be created globally. What about increasing funding for education in these areas? What about creating retraining programs for workers whose jobs may be automated out of existence by RFID systems?

RFID will bring change, and there is no doubt that some workers will be hurt. But the answer is not to stifle the economy by strangling the move toward automation. Rather, it is to develop policies and strategies to help workers cope with the change.

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