

## How Steve Jobs changed capitalism

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In the last 24 hours Steve Jobs has been credited with changing the way we live, the way we view technology, the way we listen to music, the way we communicate, the way we think about art, design and invention, and much, much more. But I think the biggest change he has made is to the way both its critics and cheerleaders think about capitalism.

Take the old adage that the consumer is king. In some ways, this is as true for Apple as it is for anyone else. It stands or falls on the basis of whether people will buy its stuff. But Jobs's success was built firmly on the idea that in another sense, you should not give consumers what they want because they don't know what they want. No one thought they wanted the first desktop Mac, iPod, iPhone or iPad before they existed. Jobs repeatedly created things that people came to want more than anything else only by not trying to give them what they already wanted. This challenges the idea that consumer culture inevitably means pandering to the conventional, to the lowest common denominator. Markets are not necessarily conservative: truly great innovations can become popular.

Jobs has also provided the clearest evidence yet that excellence comes at a cost. Against both the optimistic open-source movement that thinks all good things can be made collaboratively for free, and the race-to-the-bottom chains that believe the answer is always to be the cheapest, Jobs showed that you could, and must, charge a premium price for a premium product. Far from condemning his company to a niche, by following this principle, Apple actually became, briefly, the biggest company in the world. The lesson has still to be taken on board elsewhere. In news and broadcasting, for example, we are all learning that you can't sustain quality by giving things away.

It's not just about cost, however. Jobs was unpopular for the way in which he tightly controlled Apple's copyrights, refused to license to third parties and tied his devices to his own suppliers of content. This was seen as undemocratic, demagogic even. But whether or not he was always right, his success shows that there is something to the idea that true excellence often requires tight control. It's the principle that guides the best restaurant kitchens, the best production lines and even many of the best films, plays or dance productions. Jobs should have killed the idea that everything works better if it's open, collaborative and non-judgmental.

Jobs also made multinational brands respectable. Many people who moan about the "designer label" culture and think that all multinational companies are evil love their Macs and iStuff to the point of being evangelical bores about them. They might claim this isn't brand loyalty, it's just enthusiasm for great gadgets. But this is really only to make clear that the genuinely good brands have products of substance behind them. The brands we should despise are those that could be pasted to pretty much any product without anyone noticing. The ones we admire are those whose name we have learned tell us something reliable about what they produce.

But perhaps the most important way in which Jobs has made us rethink capitalism is shown by the very fact that we're talking about how he has changed anything at all