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Adam Smith's Metaphysics of Economics: Labour, Scarcity and Civilisational Progress

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ABSTRACT: This article presents a reading of Adam Smith's *Wealth of Nations* (1776/1904) and *The Theory of Moral Sentiments* (1759/2002) that uncovers the metaphysical assumptions embedded in his political economy. Drawing on Conceptual Metaphor Theory (Lakoff & Johnson, 1980) and intellectual history, it argues that Smith should be read as a metaphysician of economics. Labour, in his framework, functions as the ontological substance of value, conceptualised through metaphors of container, standard, time, energy and money. Scarcity, within his framework, is no longer a mere negative constraint. It emerges as the metaphysical driver of interdependence, specialisation and social bonds. Money, meanwhile, is demystified. It is not intrinsic value, but a token of labour and trust, essential to social cohesion. Finally, economic activity itself is framed as the force of civilisational progress, reinforcing moral sentiments and establishing institutions of honesty, civility and prudence. By repositioning Smith as a metaphysician, this article illuminates the deep structures that continue to underpin economic thought and practice.

KEYWORDS: Metaphysics of Economics, Political Economy, Conceptual Metaphor Theory, Social Cohesion, Moral Sentiments.

INTRODUCTION: POLITICAL ECONOMY AND METAPHYSICS

Adam Smith is often celebrated as the founder of modern economics, yet to treat his work solely as a technical or utilitarian account is to miss its philosophical depth. Smith's *Wealth of Nations* (1776/1904) is not only a treatise on political economy, but also a text that embeds ontological assumptions about human nature, society and value. Likewise, *The Theory of Moral Sentiments* (1759/2002) grounds economic exchange in moral principles where virtue and utilitarian ends reinforce each other.

Metaphysics of economics designates the underlying framework that links economic categories to existential conditions (Weber, 1905/2002). It addresses not only how humans produce, exchange and consume, but also why these activities appear necessary, natural and binding. For Smith, labour, scarcity, and exchange are not empirical accidents but metaphysical necessities. His political economy is built on a unique account of scarcity. Human beings are insufficient in isolation (Smith, 1776/1904). Hence, they are driven towards interdependence and are capable of converting egoistic pursuits into collective progress.

This article argues that Smith's metaphysics rests on three pillars: labour as the substance and measure of value, scarcity as the catalyst of interdependence, and economic activity as the engine of civilisational progress.

The Commodity as a Container of Labour

Smith consistently describes commodities as the embodiment of labour. In a central passage, he writes: "The labour of the manufacturer fixes and realizes itself in some particular subject or vendible commodity, which lasts for some time at least after that labour is past" (Smith, 1776/1904, p. 438). Here, labour is metaphorised as a fluid substance, fleeting and shapeless until it is stabilised in the container of the commodity. The commodity preserves what would otherwise dissipate, rendering labour durable and transferable. The adjective "vendible" foregrounds exchangeability, suggesting that the commodity not only embodies labour but also immortalises it by enabling circulation.

Conceptually, this metaphor situates the commodity as a metaphysical mediator. It stores human effort, converts it into a durable form and allows it to participate in networks of value. It follows that commodities are not mere objects, but vessels of human life itself.

Labour as the Measure of Value

Smith's project is, to a large extent, an alternative to mercantilism. In direct opposition to mercantilist thought, his labour theory of value designates labour as the "real measure" of value (Fitzgibbons, 1995), underscoring its authority, reliability and universality. Smith writes: "Labour alone, therefore, never varying in its own value, is alone the ultimate and real standard by which the value of all commodities can at all times and places be estimated and compared" (Smith, 1776/1904, p. 54). Labour is conceptualised as the "standard" that determines value. The metaphor of "standard" invokes the image of a military flag around which soldiers gather (Chambers & Chambers, 1874). Mapped onto labour, this suggests authority, consistency and centrality. Labour becomes the final reference point, the ultimate measure by which all commodities can be judged.

Labour as Time

In his analysis of how commodities acquire value, Smith establishes a direct link between a commodity's worth and the labour required for its production. This conceptualisation recurs frequently in his text. A clear example appears in the following passage: "It is natural that what is usually the produce of two days' or two hours' labour should be worth double of what is usually the produce of one day's or one hour's labour" (Smith, 1776/1904, p. 73). Labour is equated to time. The source domain of time is clearly segmented in people's minds in terms of months, weeks, days, hours and minutes. This precise segmentation is mapped onto the target domain of labour. Value is naturalised as a temporal expenditure, suggesting precision and fairness in exchange.

Labour as Energy Expenditure

Smith acknowledges the bodily cost of labour as it is evidenced in the following concordance line: "Mutual emulation and the desire of greater gain frequently prompted them to overwork themselves, and to hurt their health by excessive labour" (Smith, 1776/1904, p. 120). Here, labour is conceptualised as finite energy. Its overexpenditure leads to exhaustion and harm, underscoring labour's embodied limits.

Labour as Money

Expanding on his identification of labour as the real measure of value, Smith refers to situations where people directly provide payment through labour, stating "Those funds consist partly in a certain number of days' labour which the country people are in most parts of Europe obliged to give to the reparation of the highways," (Smith, 1776/1904, p. 971). Smith points to a particular law observed in some European countries in the 18th century whereby people in the countryside would pay for the infrastructure they benefit from through direct labour. Instead of collecting taxes, some European countries would have people labour for a specific number of days to pay for the construction and the maintenance of local infrastructure. Labour is metaphorically conceptualised as time and as money through the respective use of the expressions "days' labour," "give" and "funds." The use of the verb "to give" paired with the conceptualisation of labour as time metaphorises labour as a mode of payment. The conceptualisation of labour as money is directly instantiated through the word "funds." Labourers in the countryside would contribute to the "funds" designed to construct and maintain infrastructure. Their contribution would not be through money, but rather through labour. Finally, Smith conceptualises labour as the real money of society: "Labour, it must be remembered, is the ultimate price which is paid for everything" (Smith, 1776/1904, p. 264). Money is a sign, but labour is the substance. Labour is what truly "purchases" commodities. Thus, while monetary systems conceal labour, they cannot replace it. Taken together, these metaphors elevate labour as the ontological ground of value, the universal reference against which all wealth is measured.

Scarcity as Catalyst of Interdependence

In modern economics, scarcity is typically defined as the gap between finite resources and infinite wants. Smith's usage is more fundamental. Scarcity, for him, reflects human insufficiency. No individual can live comfortably through their own labour alone. This metaphysical lack drives exchange and underwrites the division of labour.

Specialisation emerges as a natural response. By focusing on one task, individuals produce with greater efficiency, and exchange allows them to enjoy the fruits of others' labour. Scarcity, then, is not a negative constraint but a productive force. It occasions cooperation, innovation and interdependence. In this framework, scarcity is revalorised. It becomes the condition that transforms isolation into society.

Money as a Token of Labour and Trust

Smith acknowledges the centrality and then the limitations of barter, particularly the "double coincidence of wants" (Svizzero & Tisdell, 2019). Money resolves these limitations, but it is not itself value. It functions as a proxy, a token representing labour embodied in commodities.

Because money lacks intrinsic worth, its value depends on trust. Coins and bills are effective only insofar as society agrees to treat them as valid. Thus, money embodies a metaphysical paradox. It is worthless in itself but indispensable in practice.

This trust-based conception of money also reveals its moral dimension. Money coordinates the circulation of labour, but its utility depends on honesty and social cohesion. Smith warns against hoarding, emphasising that money's telos lies in circulation and investment. To hoard money is to violate its metaphysical function.

Economic Activity and Moral Sentiments

Smith's *Theory of Moral Sentiments* frames humans as intrinsically moral beings, endowed with the capacity for sympathy and regulated by the impartial spectator (Smith, 1759/2002, p.19). Yet he also insists that economic activity strengthens these moral faculties.

Trade requires reliability. Buyers and sellers must trust one another. Exchange cultivates virtues such as honesty, prudence and civility, reinforcing the moral fabric of society. Economic activity, then, is not merely compatible with virtue. It actively promotes it.

In this sense, Smith offers a metaphysics of morality. The pursuit of self-interest in the market paradoxically generates social virtues. This is the logic behind the "invisible hand," (Smith, 1776/1904, p. 593) whereby private desire conduces to public good.

Economic Activity as Civilisational Progress

For Smith, economic activity is the engine of civilisation. Labour immortalises human effort in commodities. Scarcity binds individuals into cooperative networks, and money enables trust-based exchange. The result is a society structured not only by wealth but by morality and institutions.

Economic activity generates the infrastructure of progress: laws, markets, and cultural norms. The impartial spectator ensures sympathy and justice, while the invisible hand converts egoism into collective flourishing (Smith, 1759/2002, p.19). Smith's metaphysics of economics thus offers a profound vision: civilisation itself rests on the circulation of labour, the mediation of scarcity, and the morality cultivated through exchange.

CONCLUSION

Adam Smith's political economy is grounded in a metaphysical framework that remains influential today. Its main pillars are the conceptualisation of labour as the substance of value, scarcity as the catalyst of cooperation, money as the token of trust, and economic activity as the foundation of morality and civilisation. To read Smith in this way is to recognise him not only as the father of economics but also as a philosopher of human existence, whose metaphysics of economics continues to shape our understanding of social order.

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