

“De-reification”: Kant, Adam Smith and the power of money

Maria Chiara Pievatolo 

October 17, 2025

Creative Commons Attribution-ShareAlike 4.0 International

Contents

1	Property is about people rather than things: a (not surprising?) convergence	2
2	De-reification: Kant, money and Adam Smith	4
	References	7

Abstract

Although Kant was not directly interested in economics, he was an early reader of Adam Smith's work, long before it gained popularity in German culture. Scholars who have addressed this topic have found more than one implicit reference to Smith in Kant's texts.

However, Kant did not embrace a "naturalistic" view of property and the market. Despite their very different theoretical approaches, Kant's redefinition of *ius in re* (real right) is surprisingly similar to David Graeber's: "an understanding or arrangement between people concerning things." Such an interpersonal nature of property implies that it can only overcome its temporariness in a civil constitution. In other words, property does not emerge fully formed from the state of nature. Rather, it may and should be politically discussed. The constitutional pact can also publicly "de-reify" entities that were treated as things in the *status quo ante*. For instance, states that were acquired and exchanged as if they were objects of property can be recognized as societies of human beings and treated as such.

A similar, albeit more radical, de-reification can be found in the *Metaphysics of Morals*, where Kant places books and money in the sphere of personal rights, i.e., the right to obtain services from people.

Regarding money, Kant not only quotes Adam Smith almost verbatim, but also uses his vocabulary. However, his conjectural history of the origin of money differs from Smith's, producing an almost chartalist theory that connects money to political imposition and human labor rather than to a spontaneous market process. The important yet little-explored comparison between Kant and Smith can help us to determine if a political-economic theory is hidden in the fourth preliminary article of *Perpetual Peace*, which deals with the use and abuse of public debt. More broadly, it also raises a more foundational question: how could economics be or become republican, rather than just political?

1 Property is about people rather than things: a (not surprising?) convergence

In Roman law, property, or *dominium*, is a relation between a person and a thing, characterized by absolute power of that person over that thing. This definition has caused endless conceptual problems. First of all, *it's not clear what it would mean for a human to have a "relation" with an inanimate object*. Human beings can have relations with one another. But what would it mean to have a "relation" with a thing? And if one did, what would it mean to give that relation legal standing? A simple illustration will suffice: imagine a man trapped on a desert island. He might develop extremely personal relationships with, say, the palm trees growing on that island. If he's there too long, he might well end up giving them all names and spending half his time having imaginary conversations with them. Still, does he own them? The question is meaningless. There's no need to worry about property rights if none else is there. Clearly, then, *property is not really a relation between a person and a thing. It's an understanding or arrangement between people concerning things*¹

In his 2011 book *Debt*, David Graeber made no reference to Kant's *Metaphysics of Morals*. Yet, the lines quoted above are strikingly similar to Kant's overcoming of the nominal definition of right to a thing (*ius reale, ius in re*) at the beginning of §11 of the section on property rights of the *Metaphysics of Morals* (Ak VI 260–261):²

The usual exposition of a right to a thing (*ius reale, ius in re*), that "it is a right against every possessor of it," is a correct nominal definition. But what is it that enables me to recover an external object from anyone who is holding it and to constrain him (*per vindicationem*) to put me in possession of it again? Could this external rightful relation of my choice be a direct relation to a corporeal thing? Someone who thinks that his right is a direct relation to things rather than to persons would have to think (though only obscurely) that since there corresponds to a right on one side a duty on the other, an external thing always remains under obligation to the first possessor even though it has left his hands; that, because it is already *under obligation* to him, it rejects anyone else who pretends to be the possessor of it. So he would think of my right as if it were a *guardian spirit* accompanying the thing, always pointing me out to whoever else wanted to take possession of it and protecting it against any incursions by them. It is therefore absurd to think of an obligation of a person to things or the reverse, even though it may be permissible, if need be, to make this rightful relation perceptible by picturing it and expressing it in this way. So the real definition would have to go like this: *A right to a thing is a right to the private use of a thing of which I am in (original or instituted) possession in common with all others.*³

Both Kant and Graeber treat the idea of a legal relationship between a person and a thing as a kind of magical thinking. Moreover, they both conceive property

¹David Graeber. *Debt: the first 5,000 years*. Brooklyn, N.Y: Melville House, 2011, ch. V § "Ancient Rome: property and freedom".

²About the expressions *ius in re* and *ius ad rem* see, however, Patrick Mac Chombaich De Colquhoun. *A summary of the Roman civil law*. 2 vols. London: Stevens, 1851. URL: <https://archive.org/details/ASummaryOfTheRomanCivilLawV2/1003> p. 70.

³Immanuel Kant. *The Metaphysics of Morals*. Trans. by Mary Gregor. Cambridge: Cambridge U.P., 1991. Gregor's translation will be used as reference in all the quotations from the *Metaphysik der Sitten* of this paper.

as a social – intelligible – arrangement: an agreement among persons about the use of things. If we embrace the opinion that persons can directly build legal relationships with things and that they can have them recognized without talking to no one, we would get a civil society where rights “to” things do not need to be collectively and publicly bargained and established, because they are already there, before any constitutional pact.

John Locke, on the other hand, explicitly theorized that the *ius reale* is only made by a relationship between individuals and things. The faith that God gave the world to mankind in common allows him to believe that individuals mixing their labor with a part of an already common land may make it their property:

when my horse bites off some grass, my servant cuts turf, or I dig up ore, in any place where I have a right to these in common with others, the grass or turf or ore becomes my property, *without anyone’s giving it to me or consenting to my having it*. My labour in removing it out of the common state it was in has established me as its owner” (*Second Treatise on Government*, V §§25, 27, 28; italics added).

In Locke’s perspective, primitive communism is both an article of faith and a state of fact that can still be actual somewhere, like in America: “in the beginning all the world was America” (*ibidem*, V §49). And yet, its seeming strength is also the reason of its fast demise. Firstly, the involvement of God himself exempts us from the need of asking how property, whether common or private, is possible. Secondly, the privatization of the primitive commons may take place through labor, without negotiating it with our fellow human beings, because God himself had solved the original acquisition question, about how can things become ours. The appeal to God, in other words, is a way to avoid dealing with humans.

In Ak VI, 269, Kant criticizes Locke’s theory of propertization through labor without mentioning him: such a theory rests upon the deceptive personification of things as something we can put under an obligation to serve us exclusively by the work we expend upon them – which dodges the question “how is a right to a thing possible?”. In Kant’s perspective, the role of God is played by the paler and seemingly weaker juridical postulate of the practical reason: “it is possible for me to have any external object of my choice as mine” (Ak VI, 246). If we, as rational but finite beings depending on external things and on others’ help, need to argue mine or yours because my choice about the use of a thing clashes with your choice about it, we have to assume that we both may consider the thing itself as originally ours. Indeed, if the thing belonged to no one, as a *res nullius*, we would not even be legally entitled to raise the question of how to solve the conflict between your choice and mine. In other words, we cannot quarrel over something that belongs to no one, because neither you nor I have the right to lay our hands on it: even to quarrel, we have to assume that we need to find out an agreement on whether and how to share a thing because it may be considered ours. Although his point of view was anthropological rather than metaphysical, Graeber would have treated such an idea as an instance of the “baseline communism”⁴ making every kind of society possible.

Moreover, according to Kant, we can only have a conclusive (*perentorish*) possession of a thing under a civil constitution (AK VI, 256, §9). Without a constitutional pact making the law public every possession is just provisionally rightful.

⁴Graeber, op. cit., V.

And although Kant does not explicitly state it in §9 of the *Metaphysics of Morals*, some provisional possessions established in a state of nature might be politically challenged and changed under a civil constitution.

The second preliminary article of the *Perpetual Peace* forbids states to acquire any other independently existing states by inheritance, exchange, purchase of gift: a state is a society of human beings rather than a commodity to which a *ius reale* can be applied (Ak VIII, 344). However, the restoration of the freedom of a state that has been treated as a thing may⁵ be slightly delayed with regard its status of political possession: “for although the present state is not backed up by the requisite legal authority, it was considered lawful in the public opinion of every state at the time of the putative acquisition.”⁶ The very circumstance that the execution of the article may be postponed, but not to a non-existent date, implies that the constitutional pact can accept, but also alter and even correct the distribution of property established in a state of nature, by starting a public, political process of *de-reification*. People who were treated as commodities can eventually be recognized as people again. After all, if even the property of things (Ak VI, 256, §9) is provisional (*provisorisch*) in a state of nature, *a fortiori* the constitutional pact can also publicly scrutinize and revise all that used to count as a thing, but involves persons instead.

2 De-reification: Kant, money and Adam Smith

After having dealt with the right to persons akin to rights to things (*persönliches Recht auf dingliche Art*), the *Metaphysics of Morals* addresses the topic of personal rights again, by discussing two seemingly empirical things: money and books.

As Mary Gregor herself remarked,⁷ the *persönliches Recht auf dingliche Art* is an innovation of Kant. The *ius reale*, as we have seen, is the means by which persons make arrangements about things. The *persönliches Recht* or *ius personale* is “my possession of another’s choice, in the sense of my capacity to determine it by my own choice to a certain deed in accordance with laws of freedom”.⁸ Kant’s introduction of a *persönliches Recht auf dingliche Art* is meant to regulate relationships in which a contract is not enough to avoid the danger of treating one or both parties just as means.⁹ And even the following discussion on books and money might be read as an attempt to emancipate speeches and labor, as actions of persons, from the chains of the *ius reale*. Indeed, although the *ius reale* is conceived as an (intelligible) arrangement between people concerning things, it can become an arrangement concerning you, without your consent, when it is

⁵To distinguish the question of the *leges permissivae* in the *Perpetual Peace* from the permissive nature of the juridical postulate see B. Sharon Byrd and Joachim Hruschka. *Kant’s Doctrine of Right. A Commentary*. Cambridge: Cambridge U.P., 2010, ch. IV.

⁶Translated by Barry Nisbet in Immanuel Kant. *Political Writings*. Ed. by H.S. Reiss. Trans. by Barry Nisbet. Cambridge: Cambridge U.P., 1989.

⁷idem, *The Metaphysics of Morals*, p. 287 n 44.

⁸We prefer to translate Kant’s *persönliches Recht* as “personal right”, in the traditional sense of right “against a party who is bound to give to, or to do something for another” (Mac Chombaich De Colquhoun, op. cit., p. 70, § 1002).

⁹See e.g. Onora O’Neill. “Between Consenting Adults”. In: *Philosophy and Public Affairs* 14.3 (1985), pp. 252–77 and Francesca Di Donato. *Nei limiti della ragione. Il problema della famiglia in Kant*. Pisa: Pisa U.P., 2004. URL: <https://btfp.sp.unipi.it/ebooks/fddfam.html>.

about actions that should depend on your choice, instead, such as speeches and labor.

In the last 20 years, scholars from more than one disciplinary field have suggested that Kant cannot be classified among the forerunners of intellectual property,¹⁰ because he conceives books as speeches, as actions through which authors make commitments with the public, rather than as “immaterial” things subject to an *ius reale*. But it is also worth asking whether his theory of money can be read as another instance of the above mentioned strategy of de-reification, aiming to read relationships that seem to be about things as relationships among people. And such a question is made trickier by the circumstance that Kant’s real definition of money is summarized by a (mis)quotation from Adam Smith’s *The Wealth of Nations* (I.4 11):

“Money is therefore” (according to Adam Smith) “that material thing the alienation of which is the means and at the same time the measure of the industry [*Fleiss*] by which men and nations carry on trade with one another.” (Ak VI 289)

According to Samuel Fleischacker,¹¹ Kant was an early reader of Smith. Thus, his citation of *The Wealth of Nations* is not surprising, even if Kant’s purpose is putting in brackets the matter of the trade, to consider its intelligible form only (Ak VI 289).¹² It is such a form that makes money a medium between personal rights, about relationships among persons willing to work for one another. Smith’s original passage does not mention *Fleiss*, but goods: “it is in this manner that money has become in all civilized nations the universal instrument of commerce, by the intervention of which goods of all kinds are bought and sold, or exchanged for one another.” Kant’s misquotation suggests that money, in his opinion, has to do with people and personal rights, rather than with commodities and *iura realia*.

But there is another remarkable difference between Kant and Smith: their accounts of the origin of money. Just before the lines misquoted by Kant (*The Wealth of Nations*, I.4 2–10), Adam Smith narrates that, in an early period of the history of humankind, when the division of labor began to take place, the barter, which was the current system of exchange of such a primitive commercial society, became increasingly inconvenient. Therefore, people began to adopt, as units of exchange, some commodities that were appreciated by everybody. Eventually, metals became the preferred means of exchange, because they had the benefit of being relatively rare, durable and divisible. Metals, however, still needed to be weighted and checked for authenticity. “Hence the origin of coined money, and of those public offices called mints; institutions exactly of the same nature with those of the aulnagers and stamp-masters of woolen and linen cloth. All of them are equally meant to ascertain, by means of a public stamp, the quantity and

¹⁰For a recent review of such a growing body of literature, it is worth reading the Ph.D. dissertation of Benjamin Goh, submitted to the LSE in May 2022: *The Literary Unconscious: Rereading Authorship and Copyright with Kant’s ‘On the Wrongfulness of Reprinting’* (1785), to which we may add Christopher S. Yoo. “Rethinking Copyright and Personhood”. In: *UNIVERSITY OF ILLINOIS LAW REVIEW* 2019 (2019), p. 41. URL: https://scholarship.law.upenn.edu/cgi/viewcontent.cgi?article=1422%5C&context=faculty%5C_scholarship. A copyright whose basis is the freedom of authors to make a public use of reason has a much narrower scope of application than the so-called intellectual property.

¹¹Samuel Fleischacker. “Values Behind the Market: Kant’s Response too the “Wealth Of Nations”. In: *History of Political Thought* 17.3 (1996), pp. 379–407.

¹²Samuel Hollander. *Kant and Utilitarian Ethics*. London and New York: Routledge, 2022, p. 42.

uniform goodness of those different commodities when brought to market". Finally, the coinage required the involvement of the state, whose unique role, in Smith's account, is guaranteeing the supply of money, even if not very efficiently because of the interference of particular political interests. To sum up: an allegedly primitive society, but already with a natural system of private property, division of labor and market, invents the money to make its trade easier and hires the state as its guarantor.

In David Graeber's opinion,

tellingly, this story played a crucial role not only in founding the discipline of economics, but in the very idea that there was something called "the economy," which operated by its own rules, separate from moral or political life, that economists could take as their field of study. "The economy" is where we indulge in our natural propensity to truck and barter. We are still trucking and bartering. We always will be. Money is simply the most efficient means.¹³

We have seen that Kant's constitutional pact does not establish a night-watchman state that is merely enforcing arrangements already fixed in the state of nature. But what about money? Does Kant conceive it as a part of a "natural" economic order, separate from moral and political life? Such a question is complicated by the circumstance that he seems to embrace metallism, by stating that, to avoid what we know as stagflation, "the thing to be called money must have cost as much industry [*Fleiss*] to produce or to obtain from other men as the industry by which those goods (natural or artificial products) are acquired for which that industry is exchanged. For if it were easier to procure the stuff called money than goods, more money would then come into the market than goods for sale." (Ak VI, 287) Therefore, in Kant's opinion, is money just a commodity like any other? The answer is no, because Kant's theory of the origin of money appears to be closer to chartalism, rather than to metallism:

But how is it possible that what were originally only good became money? This would happen if a powerful, opulent ruler who originally used a material for the adornment and splendor of his attendants (his court) came to levy taxes on his subjects in this material (as goods) (e.g., gold, silver, copper, or a kind of beautiful seashell, cowries; or as in the Congo a kind of matting called *makutes*, in Senegal iron ingots, or on the coast of Guinea even black slaves), and in turn paid with this same material those his demand moved to industry in procuring it, in accordance with exchange regulations with them and among them (on a market or exchange). In this way only (so it seems to me) become a lawful means of exchange of the industry of subjects with one another, and thereby also become the wealth of the nation, that is, *money*. (Ak VI, 288)

In such an account, the government is not a latecomer hired to guarantee money as a special commodity already invented in the market. The origin of the money depends on the power and on the enforcement of a (likely despotic) state. This idea does not come from Adam Smith:¹⁴ it is, again, more similar to Keynes' theory of money, followed by Graeber himself:

The State, therefore, comes in first of all as the authority of law which enforces the payment of the thing which corresponds to the name or description in the

¹³Graeber, op. cit., ch.6.

¹⁴Even if, in the 1780s, Kant was an early admirer of Smith's free trade doctrine, against the mainstream Cameralist attitude (Fleischacker, op. cit., p. 395).

contract. But it comes in doubly when, in addition, it claims the right to determine and declare what thing corresponds to the name, and to vary its declaration from time to time—when, that is to say, it claims the right to re-edit the dictionary. This right is claimed by all modern States and has been so claimed for some four thousand years at least. It is when this stage in the evolution of money has been reached that Knapp's chartalism—the doctrine that money is peculiarly a creation of the State—is fully realised.¹⁵

When Cory Doctorow writes "money is issued by states so they can make you do work, and when you pay your tax, you return your money to the place it came from",¹⁶ he is explaining Graeber's *Debt*, not Kant's *Metaphysics of Morals*. But the idea that money is connected both to human work – and personal rights – and to the power of the state may be found in Kant himself, and it is hardly without consequences, because it suggests that economics may and should be addressed by a moral and political criticism from a Kantian perspective as well.

For instance the fourth preliminary article of the *Perpetual Peace* (Ak VIII, 345) forbids to contract national debts to fund war, while allowing them to improve the country's economy, by building roads, new settlements, and storage facilities. But, if we consider economics to be about the production of goods, then military Keynesianism is as good as any other kind of Keynesianism. After all, its deficit spending could help improve a country's economy – or expose it to bankruptcy¹⁷ – in the same way as any other kind of deficit spending. Why should it be treated as such a threatening weapon that other states are entitled to form a coalition against the state wielding it?

If we consider economics to be about people, their work and their rights, then the misuse of state power to make commitments regarding future labor for the sake of war appears in a more sinister light. Standing armies, which are forbidden by the third preliminary article, are dangerous and immoral because they treat soldiers, who are hired to kill and be killed, as mere instruments and machines. Why should it be morally different to hire actual and future workers for wars in which they have no say and where they can kill and be killed beyond the battlefield?

While dealing with rights to persons akin to rights to things (*persönliches Recht auf dingliche Art*, Ak VI, 276–284), Kant seems to take an Aristotelian, pre-industrial economic system for granted: workers are servants whose rights and duties only emerge within the context of domestic societies under the authority of household heads (Ak VI, 283). And yet, his moral and legal perspective on the personal structure of economic relations mediated by the money raises a powerful, foundational question, beyond the technocratic priesthood of classical and neo-classical economics: how could economics be or become *republican*, rather than just political?

¹⁵John Maynard Keynes. *A Treatise on Money I*. Cambridge: Cambridge U.P., 2013. URL: <https://archive.org/details/in.ernet.dli.2015.45480/page/n7/mode/2up>, p. 4.

¹⁶Cory Doctorow. "Moneylike". In: *Locus Magazine* (2022). URL: <https://locusmag.com/feature/cory-doctorow-moneylike/>.

¹⁷In (Ak VIII, 345, Kant does emphasize the risky nature of deficit spending and adds a technical detail about sinking funds that he learned from Adam Smith ("A sinking fund, though instituted for the payment of old, facilitates very much the contracting of new debts", *Wealth of Nations* V.III) . However, if the question were purely financial, this argument could also be used against non-military Keynesianism. Money's power (*Geldmacht*) is most dangerous when it mobilizes people against each other in war rather than for each other. Here, it is not about finance; it is about morality.

Bibliography

- Byrd, B. Sharon and Joachim Hruschka. *Kant's Doctrine of Right. A Commentary*. Cambridge: Cambridge U.P., 2010.
- Di Donato, Francesca. *Nei limiti della ragione. Il problema della famiglia in Kant*. Pisa: Pisa U.P., 2004. URL: <https://btfp.sp.unipi.it/ebooks/fddfam.html>.
- Doctorow, Cory. "Moneylike". In: *Locus Magazine* (2022). URL: <https://locusmag.com/feature/cory-doctorow-moneylike/>.
- Fleischacker, Samuel. "Values Behind the Market: Kant's Response too the "Wealth Of Nations". In: *History of Political Thought* 17.3 (1996), pp. 379–407.
- Graeber, David. *Debt: the first 5,000 years*. Brooklyn, N.Y: Melville House, 2011.
- Hollander, Samuel. *Kant and Utilitarian Ethics*. London and New York: Routledge, 2022.
- Kant, Immanuel. *Political Writings*. Ed. by H.S. Reiss. Trans. by Barry Nisbet. Cambridge: Cambridge U.P., 1989.
- *The Metaphysics of Morals*. Trans. by Mary Gregor. Cambridge: Cambridge U.P., 1991.
- Keynes, John Maynard. *A Treatise on Money I*. Cambridge: Cambridge U.P., 2013. URL: <https://archive.org/details/in.ernet.dli.2015.45480/page/n7/mode/2up>.
- Mac Chombaich De Colquhoun, Patrick. *A summary of the Roman civil law*. 2 vols. London: Stevens, 1851. URL: <https://archive.org/details/ASummaryOfTheRomanCivillLawV2>.
- O'Neill, Onora. "Between Consenting Adults". In: *Philosophy and Public Affairs* 14.3 (1985), pp. 252–77.
- Yoo, Christopher S. "Rethinking Copyright and Personhood". In: *UNIVERSITY OF ILLINOIS LAW REVIEW* 2019 (2019), p. 41. URL: https://scholarship.law.upenn.edu/cgi/viewcontent.cgi?article=1422%5C&context=faculty%5C_scholarship.