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| Original Research

Partial Ownership of Digital Rights Management (DRM)-Restricted Commodities: A Conceptual Metaphor Theory Analysis of Adam Smith's Political Economy

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| ABSTRACT

This paper applies Conceptual Metaphor Theory to Adam Smith's *The Wealth of Nations* to examine the implications of commodities delivered under Digital Rights Management (DRM) and restrictive licensing in modern markets. Smith's model rests on the complete transfer of ownership in every exchange, where commodities are conceptualised as containers of labour whose contents pass fully to the buyer. This principle supports transparency and sustains a stable division of labour, which Smith viewed as essential to productivity and social cohesion. DRM-restricted digital goods, such as software, e-books, video games and music, violate this logic by retaining seller control after purchase, turning sales into disguised rentals. These practices misrepresent transactions, distort market signals and create power imbalances. Drawing on Durkheim's theory of organic solidarity, the paper argues that such arrangements erode both economic trust and cooperative bonds. It concludes by considering whether DRM-restricted commodities should be classified alongside the monopolistic and collusive practices Smith believed warranted regulation.

| KEYWORDS

Digital Commodities, Classical Liberalism, Capitalism, The Wealth of Nations, Conceptual Metaphor Theory, Cognitive Linguistic Analysis, Digital Right Management Restriction

| ARTICLE INFORMATION

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1. Introduction

Adam Smith's *An Inquiry into the Nature and Causes of the Wealth of Nations* (1776) remains one of the most influential works in economic and political thought, informing theories about markets, trade, and social order for over two centuries. Written in the late 18th century, Smith's treatise describes the mechanisms of wealth creation and grounds them in what he regards as the immutable features of human nature. Central to his project is the act of trade, which he anchors in the human nature. In Smith's model, each act of exchange involves a transparent transfer where every party relinquishes full ownership of what they give and acquires full ownership of what they receive. The process is embedded in a network of mutual dependence, but it preserves individual autonomy by ensuring that once the transaction is complete, neither party retains control over the other's property.

This principle of full transfer of ownership is not a peripheral detail in Smith's political economy. It is foundational to the trust, independence and social cohesion that stem from market relations and is reinforced by Smith's metaphorical conceptualisation of the commodity as a container of labour, in which meanings from the source domain of a container are mapped onto the target domain of the commodity (Lakoff & Johnson, 1980).

The emergence of digital technologies in the late 20th and early 21st centuries, however, has introduced new forms of commodities that challenge this Smithian framework. Many digital goods, ranging from software and video games to e-books and digital music, are sold under restrictive terms such as Digital Rights Management (DRM) and End-User Licence Agreements (EULAs). These transform traditional sale mechanisms by often preventing resale, modification or even continued use after

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purchase. This entails that the buyer never acquires full ownership in the traditional sense. Instead, the transaction operates as a form of rental masquerading as purchase, with the seller retaining post-sale control over the product.

This paper argues that such arrangements violate the underlying logic of Smith's conceptualisation of market mechanisms. By denying buyers the full command over the product of labour, DRM-restricted digital commodities disrupt the transparency and mutual benefit that Smith identified as essential to market exchange. Furthermore, they risk undermining the broader social cohesion that Smith saw as emerging from the interdependence fostered by humans' propensity to trade.

2. The Human Condition in Smith's Political Economy

Smith's project is not limited to a set of technical prescriptions. It is built upon an anthropological claim about the nature of human beings. He draws a direct comparison between humans and other animals to illustrate the distinctive human reliance on social cooperation stating,

> In civilised society he stands at all times in need of the co-operation and assistance of great multitudes, while his whole life is scarce sufficient to gain the friendship of a few persons. In almost every other race of animals each individual, when it is grown up to maturity, is entirely independent... But man has almost constant occasion for the help of his brethren, and it is in vain for him to expect it from their benevolence only. (Smith, 1977, p. 30)

Smith identifies a key difference between humans and other animals. While other species often swiftly after birth achieve self-sufficiency, humans remain dependent on the labour of others for their entire lives. Smith argues that humans' cooperation is not generally sustained by altruism or benevolence, but by the alignment of self-interest, a principle famously encapsulated in his remark that it is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own self-love (Smith, 1977, p. 30).

This anthropological foundation serves several functions in Smith's political economy. It establishes the necessity of exchange. Because individuals cannot produce all the "necessaries and conveniences of life" (p. 12) on their own, they must engage in reciprocal transactions. Even the poorest human benefits from the products of labour of many workers on daily basis. This positions the division of labour as more than a strategic choice. It is the systematic realisation of the human condition.

3. The Division of Labour as a Mechanism of Social Coordination

Smith conceptualises the division of labour as a synchronising mechanism that aligns the efforts of thousands of workers, most of whom will never meet. Using the example of everyday goods like clothing, he notes: "...without the assistance and co-operation of many thousands, the very meanest person in a civilised country could not be provided" (Smith, 1977, p. 27). Here the division of labour appears as a vast, decentralised coordination system, ensuring that the labour of distant individuals converges into a coherent set of goods and services.

Smith's framing of interdependence implies the full transfer of ownership to the two parties of the transaction. Without it, the concept of fairness and the pursuit of self interest risk being destabilised. A party that retains control over the product of labour after an exchange is no longer participating in mutual relinquishment.

3.5 Linking Smith to Durkheim's Organic and Mechanical Solidarity

Smith's concept of interdependence as a defining feature of human life anticipates later theories in sociology, particularly Durkheim's distinction between organic solidarity and mechanical solidarity. Durkheim elevates organic solidarity, where mutual reliance based on the provision of different types of labour binds individuals together in complex societies, over mechanical solidarity that is built on similarity of physical traits, beliefs and ideological subscription.

Durkheim's (2014) concept of organic solidarity provides a sociological parallel to Smith's economic vision. While Smith speaks of interdependence as an economic fact, Durkheim frames it as a source of social cohesion. In modern, complex societies, solidarity does not arise from shared identity, but from the recognition that diverse specialisations are all necessary for the functioning of the whole.

For Durkheim, the division of labour generates a moral order. Individuals respect and value one another's contributions because they depend on them. This is consistent with Smith's view that exchange aligns self-interest with collective benefit. However, Durkheim also warns that if the division of labour becomes anomic, it may produce disorder instead of harmony.

There is steady ground to argue that DRM-restricted digital commodities create exactly such an anomic distortion. They disrupt the reciprocity embedded in exchanges by allowing the seller to retain control over the product of labour even after the buyer has fulfilled their side of the bargain. In Durkheimian terms, this weakens the moral bond of organic solidarity. In Smithian terms, it pollutes the source from which the advantages of the division of labour are derived.

Finally, Smith's anthropological starting point invites reflection on how technological changes, such as the digitisation of goods, might affect the basic structures of human cooperation. If the division of labour is an expression of humanity's intrinsic need to exchange, then changes in the nature of ownership have the potential to reverberate far beyond economic efficiency, influencing the moral fabric of society.

4. Commodities as Containers of Labour

In Adam Smith's framework, an exchange is not merely a transfer of utility. It is a mutual relinquishment of property. Each party gives up something they own outright and receives something else in full ownership. This reciprocity ensures that the relationship between buyer and seller ends with the transaction, and neither retains claims or obligations over the exchanged goods.

Smith's understanding of the commodity is fundamentally tied to labour. In his labour theory of value, a commodity's worth is rooted in the amount of labour required for its production (Meek, 1956). When one acquires a commodity, one is in effect acquiring embodied labour, labour encapsulated in a tangible form.

From the perspective of Conceptual Metaphor Theory (Lakoff & Johnson, 1980), Smith's description aligns with a container metaphor, where elements of meaning from the source domain of a container, an object that holds and protects its contents, are mapped onto the target domain of the commodity. The "contents" in this mapping are the time, effort and skill of the labourer. The "container" is the finished product itself. Just as the physical boundaries of a container separate its contents from the external world, the commodity's physical form separates the embodied labour from the producer once it is completed. Ownership transfer, then, is metaphorically equivalent to handing over a sealed container. The recipient gains full access to and control over whatever is inside.

This mapping also clarifies why post-sale restrictions, such as those imposed by DRM, are problematic in Smith's framework. If the commodity is a container, DRM functions like a lock that remains under the seller's control, preventing the buyer from freely accessing, modifying or transferring the contents. Such restrictions undermine the principle of complete ownership transfer and distort the very metaphorical logic that underpins Smith's model.

5. Money as a Proxy for Direct Exchange

Exchanging goods for goods is often impractical. This is due to the necessity of the "double coincidence of wants", the perishability of goods and transportation difficulties (Svizzero & Tsidell, 2019, p.3). Money solves these limitations by acting as a proxy for direct exchange. Importantly, however, money's function as a medium of exchange does not alter the underlying structure of ownership transfer. Whether goods are traded directly or bought with money, the principle is the same. The transaction results in full transfer of property rights from one party to the other. Money facilitates trade, but it does not license sellers to retain control over the goods sold.

6 Rentals Versus Sales in Smith's Market

Smith does not object to rental arrangements. Rental is a legitimate market practice. However, in rental, the limited and temporary nature of the arrangement is clear to both parties from the outset, and the price reflects the absence of permanent transfer. For example, leasing farmland or hiring a carriage does not create any illusion of ownership. The buyer is paying for temporary use, not permanent possession.

This distinction is central to the later argument about digital partially owned commodities. One could justifiably argue that Smith would see no problem with a clearly defined rental of a digital good at a corresponding price-point, such as temporary streaming access, because it is transparent and agreed upon. The problem arises when something is sold as though it were a full transfer but is in fact encumbered by post-sale restrictions that functionally transform it into rental, metaphorically selling a container of labour but keeping the key.

7 Transparency, Symmetry and Trust

For Smith, the health of the market depends on transparency and the symmetry of information between buyers and sellers. If one party possesses significantly better information about the nature of the exchange than the other, or if the transaction is misrepresented, the exchange ceases to be mutually beneficial in the Smithian sense. When the buyer believes they are purchasing full ownership of a commodity, but the seller secretly retains rights and control, the principle of mutual relinquishment is violated. The transaction becomes asymmetric. The buyer gives up their money unconditionally, but the seller does not give up the commodity unconditionally. Smith warns against such distortions because they can undermine the trust that underlies market interactions. Without trust in the completeness of ownership transfer, exchange relations become unstable, and the broader benefits of the division of labour are jeopardised.

8. DRM-Restricted Digital Commodities and the Violation of Smith's Ownership Principle

In the contemporary marketplace, the term digital commodity encompasses a wide range of products, software applications, e-books, digital music, video games and the likes. On the surface, these goods appear to fit neatly into the Smithian category of commodities. They are products of labour, often highly specialised, and they are offered in exchange for money in ostensibly competitive markets. Yet, beneath this familiar appearance lies a crucial structural difference. Many digital commodities are sold under Digital Rights Management (DRM) regimes and restrictive licensing agreements that prevent full transfer of ownership to the buyer. These arrangements can limit modification, resale sharing or even offline use. In some cases, the seller reserves the unilateral right to revoke access altogether.

9. The Difference between Services and DRM-restricted Commodities

A possible counterargument is that buying a service, such as a haircut, legal consultation or a live concert ticket, also results in no tangible, permanently owned product. It is legitimate to inquire why DRM-restricted digital goods should be judged differently. The answer lies in the completeness of value transfer. When purchasing a service, the product of labour is fully delivered at the moment of exchange. The buyer gains the full benefit of the service, and the seller retains no continuing control over its use. Smith's "container of labour" metaphor still applies. The container in the case of services is temporal rather than physical, but its contents are completely handed over.

In contrast, DRM-restricted digital goods withhold part of the product of labour even after payment. The seller maintains the ability to limit, revoke or alter the buyer's access, creating an ongoing dependency that undermines the finality of the exchange. From a metaphorical perspective consistent with Smith's thought, services can be understood as containers of labour that are fully consumed upon delivery. This is distinct from DRM goods, where the container remains under the seller's lock and key even after payment, allowing the seller to open, close or restrict access at will.

10. Misrepresentation

In *The Wealth of Nations* (1776), Smith repeatedly warns against market practices that obscure the true nature of a transaction. For an exchange to be legitimate, both parties must be aware of what they give, and what they are to receive. DRM-restricted goods are often marketed, priced and presented as sales when, in fact, they are licences subject to unilateral modification or revocation by the seller. This illusion of sale leads buyers to believe they have acquired full ownership when they have not. In Smithian terms, such opacity is incompatible with the moral order of the market because it denies buyers the informed consent necessary for a fair exchange. A concrete example is found in how an e-book purchased from a major online retailer may be deleted remotely from a user's device if the licence terms change or the retailer loses distribution rights. While marketed as a "purchase," the arrangement is functionally closer to a subscription.

11. Distortion of Market Signals

Smith's model assumes that the market communicates accurate information through prices, quantities, and consumer choices. When goods are misrepresented, these signals are corrupted. For example, if DRM-restricted digital goods are priced at levels comparable to fully ownable goods, producers receive market feedback suggesting demand for ownership, even though they are not actually delivering ownership. This misalignment can misallocate resources, incentivising the production of more restricted goods and reducing the supply of genuinely ownable commodities.

Smith mirrors such distortions in the context of monopolies, guild restrictions and deceptive weights and measures. DRM can be seen as a 21st-century analogue, distorting market coordination by creating a gap between consumer expectations and the actual attributes of the commodity.

12. Power Imbalance in Market Relations

Another infringement concerns the asymmetry of power created when the seller retains post-sale control over the commodity. In Smith's idealised market, once an exchange occurs, both parties are independent. The seller no longer influences the buyer's use of the commodity, and the buyer is free to employ it in any lawful way. DRM reverses this logic by enabling ongoing seller control. In terms of the container metaphor, the buyer physically receives the container but cannot fully open or use its contents without the seller's continuing permission. This allows sellers to impose unilateral changes to terms of use and restrict interoperability with competing products. Such control mechanisms reintroduce a form of dependency that Smith's vision of the market was designed to overcome. Instead of a network of equals exchanging the surplus of their labour, DRM recreates a relationship where ownership rights are conditional and subject to the continuing authority of the seller.

13. Effects on the Division of Labour

If participants in the market cannot rely on the completeness of ownership transfers, the chain of interdependent specialisations becomes unstable. A craftsman, a designer or a software developer who cannot be certain that the tools they purchase will remain functional cannot plan production efficiently. This uncertainty creates a transactional friction that reduces productivity, innovation and trust, precisely the opposite of what Smith attributes to a well-functioning division of labour. As Smith observes:

> It is the great multiplication of the productions of all the different arts, in consequence of the division of labour, which occasions, in a well-governed society, that universal opulence which extends itself to the lowest ranks of the people (Smith, 1776, p. 25)

From the perspective of conceptual metaphor theory, this statement reflects Smith's metaphorical conceptualisation of society as a vertical container structure in which opulence is a substance that accumulates at the top and overflows downward to the lower strata. The efficiency of this flow depends on the container's integrity. If cracks appear through unchecked market practices, the substance may leak or be diverted. Although Smith calls for free, self-regulating markets, he links the creation and downward movement of opulence to the condition that society must be "well governed," recognising that a breakdown in governance can compromise both the structural stability and the distributive benefits of the division of labour.

14. Conclusion

Adam Smith's *The Wealth of Nations* (1776) portrays a vision of economic philosophy grounded in a distinct anthropology. Humans are unlike other animals because they depend on the labour of others to secure the "necessaries and conveniences of life" (Smith, 1776, p. 12). This dependence constitutes a structural feature of human society, giving rise to cooperation, exchange and the division of labour. In Smith's model, the prosperity of individuals and nations rests on specialisation, transparent exchange and the mutual benefits of fully transferring the products of labour between independent agents. In metaphorical terms, the stability of markets depends on the integrity of the container. The product of labour must be fully handed over, with its contents entirely accessible to the new owner.

The emergence of DRM-restricted digital commodities in the twenty-first century challenges this framework. By retaining post-sale control, sellers transform what appears to be a sale into a conditional licence, often without making that distinction explicit. This creates interlocking infringements on Smith's conceptual model, namely misrepresentation, distortion of market signals and imbalance of power dynamics. These infringements go beyond disadvantaging individual consumers to introducing uncertainty into the network of specialisations that the division of labour depends upon, potentially lowering productivity, discouraging innovation and eroding trust in market institutions. In this respect, they threaten not just transactional fairness but also the systemic harmony Smith associated with the "invisible hand" (Smith, 1977, p. 593). By contrast, services, though they may leave the buyer with no lasting tangible asset, do not violate Smith's principles. They deliver the full product of labour transparently and conclusively, without the seller retaining control or misleading the buyer about the nature of the exchange. The buyer knows from the outset that the benefit is time-bound, and once delivered, it cannot be revoked. This preserves both the informational integrity and the moral transparency of the market. The contrast between services and DRM goods signals that the problem lies not in impermanence but in incompleteness. Smith's vision of a just and efficient market is compatible with any form of commodity, physical, digital or experiential, provided that it involves the full and final transfer of the agreed-upon value. Modern markets, therefore, face a choice either to adapt digital trade practices to honour this principle or to risk eroding the foundational trust and reciprocity on which economic cooperation and, by extension, social cohesion depends.

Ultimately, revisiting Smith's eighteenth-century insights in the digital age is not a matter of nostalgia, but of recognising that his framework was built upon enduring features of the human condition. As long as humans remain dependent on one another's labour, the fairness, clarity and finality of exchange, the full and unencumbered passing of the container and its contents will remain central to the wellbeing of both markets and societies.

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