Smith on Ideal and Non-Ideal Theory

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I. Introduction

Ever since John Rawls drew a distinction between ideal and non-ideal theorizing, normative theorizing about political institutions has been dominated by methodological debates about how our theorizing should grapple with the chasm between the world as it is and as it might be.[i] Although these debates have been wide-ranging, a handful of questions have received the bulk of attention. What role do ideals play in guiding normative discourse? What is the source of those ideals and what is the relationship between moral and political ideals? And how concessive should our ideals be to facts on the ground? In philosophy, answers to these questions have largely adopted Rawls's framing, while in political theory the debate has instead been framed in terms of the role of realism in normative theorizing. Despite the different framing, both literatures have been shaped by Rawls's conjecture that theorizing about justice should begin with ideal theory and only after those questions are worked out should it turn to the matters of partial compliance and unjust institutions that characterize non-ideal theory (Rawls, 1999, pp. 7–8, 215–216).

Rawls offered both theoretical and practical justifications for his conjecture. The former was that unless an ideal is identified, non-ideal theory lacks an objective by reference to which progress can be measured. The latter was that the pressing problems of justice would prove more tractable once we had worked out a sound theory for the ideal case. Unsurprisingly, though, his conjecture has been widely contested. Amartya Sen argues that comparative judgments about justice require no transcendental ideal (Sen, 2006). Charles Mills contends that idealization has been actively harmful, systematically obscuring injustices associated with racial oppression by abstracting away from the social structures that produce them (Mills, 2005). Realists press a related concern. Political theorizing, they argue, should attend to the institutions, personalities, and historical contingencies of actual political life rather than deriving prescriptions from idealized models of agents acting under conditions far removed from our own (Galston, 2010; Williams, 2005). And Jacob Levy and David Schmidtz have questioned whether "ideal theory" picks out a coherent methodological approach at all (Levy, 2016; Schmidtz, 2011).

The critics of ideal theory have not been immune from criticism, though. A. J. Simmons, for instance, argues that without relatively fixed ideas we lack resources for adjudicating which paths of reform are morally permissible and what counts as genuine progress (Simmons, 2010). While

G. A. Cohen and David Estlund both argue that theorists who abandon ideal aspirations risk losing the critical leverage needed to hold existing arrangements to account (Cohen, 2008; Estlund, 2020). Indeed, Cohen criticizes Rawls for being too accommodating of unsavory features of human psychology. More recently, Wiens (2025) has argued that idealized models can sharpen our normative thinking even when they cannot provide normative guidance.

Part of what makes these debates so difficult to resolve is that participants are often talking past one another, and the question of what leverage idealization is supposed to provide has been insufficiently disambiguated (Barrett, 2026). An ideal might serve as a *target* for reform, or as a *benchmark* against which to evaluate the relative justice of different societies, or as grounds for *criticism* of particular institutions and practices. It might furnish a basis for *complaint* on behalf of those who suffer under unjust arrangements, or for *redress* aimed at rectifying specific wrongs. It might also serve as a source of *regret* or as an *object of admiration*, a vision of human possibility worth contemplating for its own sake. These varieties also operate in different temporal modes — some prospective, others retrospective. And still other forms may turn out to be largely *inert* (practically irrelevant to the problems institutions are called upon to address, but still of theoretical interest). Collapsing these distinctions has made it too easy for participants to talk past one another.

Further obscuring things is a tendency to conflate the forms of leverage with other methodological commitments. For example, Hankins and Thrasher (2022a) argue that disputes between realists and idealists have been confused by the failure to distinguish claims about the independence of political theory from moral theory from claims about whether there is room for evaluative pluralism, or to distinguish claims about the utility of abstract theorizing from claims about how aspirational a theory ought to be. Similarly, disagreements about the *degree* of idealization have often been run together with disagreements about its *function*, and both of these confused further with first-order disputes about what justice requires.

One consequence of these entanglements is that something of a consensus has formed around the idea that normative theorizing confronts a tragic choice between idealizing to gain critical distance while sacrificing practical relevance, on the one hand, and embracing the facts on the ground while risking complacency, on the other. As we will see in Section V, not all participants accept this framing. But even some of those who reject this framing often implicitly embrace two of the assumptions on which the frame is built. The first is that idealization is a *unidimensional* matter. The central question is framed as *how much* to idealize, as though there were a single dial that theorists turn up or down. This obscures the possibility that the relevant questions are multidimensional. What matters is not just the *degree* of idealization, but *which* dimensions of the world we idealize and which we hold fixed, and how these choices depend on what we are trying to explain or evaluate. The second assumption is that the debate can and should be analyzed in

terms familiar to political theory and philosophy. This confinement has cut the debate off from other domains of inquiry where idealization plays equally important and illuminating roles.

This chapter argues that attending to Adam Smith's corpus, and in particular to the systematic role idealization plays across his diverse inquiries, provides a way past this impasse. Smith is not typically a central figure in these debates, but as we will see his work is deeply relevant.[ii] Across his accounts of moral judgment, the origins of language, the history of science, political economy, and even rhetoric, Smith deploys idealization in ways that challenge the prevailing consensus on three fronts. First, Smith shows that idealization is neither unidimensional nor fixed. The question is not simply how much to idealize, but which dimensions to idealize and which to hold fixed, and how the answers depend on one's explanatory and evaluative goals. Second, the breadth of Smith's inquiries demonstrates that the debate has been impoverished by its narrow scope — attending to how idealization functions across domains reveals patterns the narrower debate has missed. Third, and most importantly, Smith shows that idealization can and should be deployed for both explanatory and normative purposes, and moreover that these functions complement one another. It is this dual function that most directly dissolves the tragic choice. Idealizations tethered to the facts on the ground draw their normative force in part from the explanatory work they do. The impartial spectator gains critical purchase not by depicting ideally rational agents but by explaining patterns in our actual sentiments. Smith's accounts of institutional change in political economy carry normative weight because they reveal how institutions function for beings like us.

The chapter proceeds as follows. Section II introduces the three-part pattern of idealization that runs through Smith's work. Section III traces the pattern through his accounts of moral judgment, language, and science. Section IV turns to political economy, where the dual function of idealization is most fully developed, and Section V sketches several lessons for the contemporary debate.

II. Systematic Idealization Across Smith's Corpus

Before surveying Smith's approach to idealization it's helpful to distinguish between two distinct methodological devices: abstraction and idealization. Abstraction involves ignoring certain features of the world to make a theoretical endeavor more tractable or to focus attention on features of particular interest. For example, when Smith examines the division of labor in a pin factory, he deliberately ignores many features of the production process to isolate the efficiency gains that flow from specialization. Idealization, by contrast, involves imagining certain features of the world to be different than they in fact are. Consider Smith's impartial spectator. Smith does not merely ignore the partiality of actual observers—he constructs a spectator who *lacks* that

partiality and who has full access to the agent's intentions. In doing so he gains leverage over the potentially biased or misinformed judgments of actual agents.

Crucially, though, the distinction between abstraction and idealization is not dichotomous. Abstracting from certain features can constitute a form of idealization when those features are central to the phenomenon being analyzed. For instance, when Smith identifies the "natural price" as the rate toward which market price gravitates when supply and demand are free to adjust, he appears to be engaged in a straightforward abstraction, setting aside short-term fluctuations to reveal an underlying tendency. But once Smith appeals to this mechanism when assessing guild practices, royal grants of monopoly, and other regulations on trade, it becomes an image of how prices *would* behave in the absence of institutional distortions, and thereby a source of normative leverage on them.

With this distinction in hand, we can now identify the three-part pattern that characterizes Smith's use of both abstraction and idealization across his corpus.

First, Smith makes strategic decisions about abstraction and idealization. He abstracts from or idealizes some features while deliberately retaining others (even when the features he retains might initially appear to be imperfections of human nature or irregularities of social life). In constructing the impartial spectator, for instance, Smith strips us of (many of) our partial attachments and assumes better (if not perfect) access to agents' intentions, but he deliberately holds on to several "irregular" aspects of our sentiments like the influence of fortune, our aversion to loss, and stubborn adherence to custom. In conjectural history, he abstracts from historical details we cannot know, but retains constraints imposed by universal features of human psychology. In tracing the development of society from hunting and gathering through pastoral and agricultural societies to the commercial order that was then emerging, Smith sets aside contingencies that make a society unique while retaining enduring features of human psychology (Berry, 2013; Paganelli, 2022). In institutional analysis, he constructs simplified models of how institutions function, while preserving the incentive structures and power dynamics that shape human behavior within those institutions.

Second, imagination plays a crucial role in filling the gaps created by these strategic abstractions. As I've argued elsewhere, Smith distinguishes between two modes of imagination: a mimetic mode that extrapolates more familiar experience, and a creative mode that operates at greater distance by rearranging ideas to generate novel connections and explanations (Hankins and McDavid, 2023). The impartial spectator operates primarily through mimetic imagination, projecting ourselves into familiar situations with minor adjustments. Conjectural history, on the other hand, relies more heavily on creative imagination, constructing narratives about property

regimes that we cannot directly observe. While the analysis of contemporary institutions that occupies much of *The Wealth of Nations* often employs both modes.

Third, Smith deploys idealizations for dual purposes — they both explain phenomena and provide normative leverage on them. The impartial spectator explains how we actually make moral judgments while simultaneously providing a standard for assessing whether those judgments are appropriate. Smith's analysis of church establishment provides an especially vivid illustration. The cycle Smith traces between establishment, clerical indolence, suppression of competitors, civil conflict, and re-establishment is at once a descriptive model of how state-supported clergy often behave and an evaluative diagnosis of why establishment can be self-undermining and what should be done about it. Both functions are anchored by the same idealization — the picture of clergy whose zeal and learning are sustained by competition for adherents (and predictably fades in its absence). Because Smith's idealized model remains calibrated to the local circumstance in which the church operates, though, it yields different prescriptions for different cases. Smith encourages dissenting sects in England, leaves the modest Scottish establishment in place, and recommends non-establishment for the American colonies.[iii]

This pattern is consistent across Smith's diverse writings, and it is underappreciated even by those who treat Smith as a systematic thinker. For instance, Schliesser (2017), Douglass (2023), Fleischacker (1999), and Craig Smith (2006), among others, have shown that Smith's corpus exhibits a remarkable unity, but their concern is largely with Smith's aims and self-conception and the ways in which Smith took himself to be contributing to a system of the sciences. My concern is with a methodological current that runs through Smith's work whether or not he was self-consciously building a system, and it is this habit that is most relevant to the contemporary debate.

III. Idealization Across Domains

The Impartial Spectator and Moral Judgment

The role of idealization in Smith's impartial spectator has been extensively discussed. While there remains disagreement about the extent of idealization it requires and how it gains normative leverage on us, there is broad agreement that Smith's spectator is not an omniscient observer and that its judgments arise in part from, and remain tied to, the sentiments and judgments of actual agents.[iv] What has received less attention is how Smith's construction of the spectator exemplifies the three-part pattern identified above. Indeed, an important contention in what follows is that this pattern only emerges when Smith's portrait of the impartial spectator is viewed alongside his other work.

Consider first the strategic choices Smith makes about what to idealize and what to hold on to. Smith's account of moral judgment involves three layers of assessment (or "tribunals" as he sometimes characterizes them). The first is the sentiments and opinions of those around us. But although we naturally attend to these, the judgments of actual spectators are unavoidably shaped by their personal perspectives and attachments and will sometimes be ignorant or biased. The solution to this is a second tribunal — what Smith variously calls our "conscience" or the "man within the breast." This is an artificial, but nevertheless internalized perspective that idealizes the actual spectators of the first tribunal in three ways: i) it is supposed to be better informed than they are (for instance, it has knowledge of agents' intentions that bystanders may lack), ii) it is supposed to be less moved by partiality, discounting the personal attachments that distort the verdicts of others as well as our own, and iii) it moderates the register of our sentiments and judgments so that others can go along with them — toning down our grief or rage, for instance, to a pitch a spectator can sympathize with (see TMS I.i.5 and III.iii). This second tribunal is then contrasted with a third — "the all-seeing Judge of the world, whose eye can never be deceived, and whose judgments can never be perverted" (TMS III.ii.33) — and the gap between the two is as important as the gap between the first and second. In contrast to the godlike perspective of the third tribunal, Smith analogizes the spectatorial perspective of conscience to a demi-god (TMS III.ii.32). Although our capacity to attend to genuine praise- and blameworthiness can cast our moral judgment in a divine light, Smith recognizes that those judgments remain tethered to our actual psychology, with all the irregularities and imperfections that entails.[v] Indeed, Smith is careful to qualify his appeals to conscience, often referring to it as a "supposed impartial and well-informed spectator" (TMS III.ii.32, emphasis added). More importantly, he suggests that we sometimes act appropriately when our judgments reflect the spectator's "connection with mortality" (TMS III.ii.32). And despite his clear-eyed acknowledgment of the limits of our impartiality, he consistently refers to the man within the breast as the "great judge and arbiter" of our conduct (TMS III.ii.32). The third tribunal, by contrast, is primarily characterized as a mechanism we fall back on to reconcile ourselves to the messy limits of human nature and life on earth that conspire to prevent us from always getting what we think we deserve.

Importantly, though, the moderate idealization of Smith's impartial spectator isn't just a concession to the facts on the ground or a reflection of a pre-theoretic commitment to moderation. Instead, it reflects the fact that the artificial perspective of the impartial spectator is constructed through imagination operating in both its mimetic and creative modes. As Smith says, we "divide ourselves, as it were, into two persons" (TMS III.1.6), projecting ourselves into the perspectives of various agents, observers, and subjects, and triangulating among multiple viewpoints. This approach helps us clean up our judgments by reflecting both self-oriented and other-oriented components, but it remains constrained by the initial sentiments and judgments that spawn the imagination (see TMS I.i.4). Notice, then, that the impartial spectator serves both explanatory and

evaluative functions. Explanatorily, it provides a model of what the reactive attitudes are responding to, why moral norms emerge, and when our conscience will come to reflect these (Hankins and Thrasher, 2022b; Fleischacker, 2019). Evaluatively, it gives us critical leverage on our judgments and practices. Crucially, though, these two functions are not in tension. The spectator gains normative leverage because it explains patterns in our actual sentiments that are capable of commanding our allegiance, rather than fantasizing about what an ideally rational agent might do.

The First Formation of Languages

Smith's essay on the first formation of languages deploys the same three-part pattern in the explanation of an emergent social phenomenon, and in doing so illuminates both the necessity and the costs of idealization itself. Smith treats linguistic abstraction as something that emerged gradually through an evolutionary process (see, e.g., Schliesser, 2011; Otteson, 2002). The earliest words would have been proper names for specific objects. But as the need for coordination increased with growing societies, speakers required more general terms, and general terms require "a much greater effort of abstraction" (FFL 6). To form the category "cave" one must identify characteristics shared by many particular caves while setting aside distinguishing features, and the choices involved are strategic. Which features come to define a category and which help distinguish one object from another track speakers' need to coordinate on the messages they send and receive.

Notice, too, that it's not just language itself that involves strategic abstraction. On Smith's account, the evolution of language is constrained by human cognitive capacities — our ability to perceive resemblances, the need for coordination, and the limitations of memory. Smith's selection of these capacities is itself strategic abstraction — the same kind the account describes (see FFL 1).

Both modes of imagination are also at work in Smith's account. Nouns and proper names emerge through mimetic imagination, extending recognition from known particulars to similar cases. But verbs, prepositions, and declensions represent conceptual innovations that reorganize experience rather than merely extending it. Recognizing the need for a distinct grammatical category for actions and states, for example, involves creative conceptual work, not mere pattern recognition.

Finally, the dual function of idealization is also apparent here. Every increase in abstraction makes language more powerful as a tool for coordination, yet something is lost in the process. Ancient languages with complex conjugations and declensions could express subtle distinctions that modern analytical languages struggle to capture. The move toward simpler grammar involves "breaking up" complex ideas into constituent parts, which makes a language easier to learn but less expressive of fine-grained nuances (FFL 33–43). This pattern reveals something fundamental about the costs and benefits of idealization more generally. Greater abstraction

increases generality and ease of use but reduces expressive precision (for further discussion see Dascal, 2006).

The History of Astronomy and Physics

If the language essay provides us with Smith's clearest account of our propensity for idealization, the essays on astronomy and physics offer the most explicit account of how it is deployed methodologically. Smith's most striking claim here comes in a discussion praising the Newtonian system as "the greatest discovery that ever was made by man" (HA IV.76). After issuing this praise, Smith pauses to offer a cautionary note. We have been endeavoring, he says, "to represent all philosophical systems as mere inventions of the imagination" that "connect together the otherwise disjointed and discordant phaenomena of nature." Yet we find ourselves slipping into language that treats those connecting principles "as if they were the real chains which Nature makes use of to bind together her several operations" (HA IV.76). Because we cannot directly or fully grasp the complexity of the natural world, even Newton's theory is not a description of real chains but an imaginative construction that organizes disparate observations into a coherent whole.

The history of astronomy illustrates this point through successive attempts to make sense of celestial phenomena. The system of concentric spheres Aristotle borrowed from Eudoxus was simple but inadequate to the observed phenomena. Ptolemy's epicycles and equants added complexity to accommodate what the simpler system could not, but at the cost of the elegance and coherence our minds crave. Copernicus's heliocentric system regained a degree of simplicity by reconceiving the relative locations of the celestial bodies. And Newton's unification of terrestrial and celestial mechanics under a single set of principles brought the trajectory to its crowning point. Even Newton's system, however, remained on Smith's reading an "invention of the imagination" subject in principle to revision (Montes, 2008; Schliesser, 2017, ch. 11).

The strategic choices follow the now-familiar shape. Astronomical systems abstract from the full complexity of celestial mechanics while retaining observational constraints and the requirement that theories display the "beauty," "harmony," and "order" our finite minds need for comprehension. These latter requirements are not merely aesthetic — they reflect how human cognition achieves understanding. Imagination here operates primarily in its creative mode, since we cannot simply project familiar experiences onto planetary motions or gravitational attraction (Hankins and McDavid, 2023).

Here the dual function of idealization is again at work. Idealizations help build models that explain the phenomena, and they also supply the criteria by which competing theories can be adjudicated. But Smith's discussion of ancient physics adds a crucial cautionary note about the risks of over-idealization. When ancient systems attempted to explain all natural phenomena by

reference to abstract principles like the four elements, they achieved great generality and elegance at the expense of losing contact with the actual variety and complexity of what they sought to explain. In Smith's words, they were "too general and abstract to afford any distinct explication" of particular phenomena (AP Section 2). The human craving for systematic beauty had led them to idealize excessively. The same risk emerged in milder form in the language essay, and it parallels Smith's warnings about the "man of system" in politics (TMS VI.ii.2.17).

IV. Applications in Political Economy

The same three-part pattern is at work in Smith's political economy. Section II already illustrated how we see some parts of the pattern in Smith's conjectural history and his analysis of religious establishment, respectively. And a fuller treatment of would reveal all three parts of the pattern in both. But for purposes I think two other cases will prove even more instructive.

Before turning to those cases, though, I want to pause to draw attention to one further dimension along which Smith reflects on the conditions of successful theorizing. In his *Lectures on Rhetoric* Smith praises Jonathan Swift for combining a thorough knowledge of his subject matter with the ability to write in plain, accessible prose (LRBL i.96–116). What allows Swift to be both efficient and accurate, on Smith's reading, is that he can rely on his readers' familiarity with the institutional and social circumstances he is describing. As that familiarity faded over the latter part of the eighteenth century, so too did Swift's popularity — not because his observations had become less acute but because the institutional knowledge they presupposed could no longer be assumed. The point matters here because Smith's political economy makes substantial assumptions of just this kind. His treatment of feudalism assumes a reader familiar with the broad arc of European institutional history, and his treatment of the colonial crisis assumes a reader who already has views about empire, commerce, and the legitimacy of British rule in America. The strategic choices Smith makes are thus partly reflective of choices about how to idealize his audience.

Feudalism and Its Internal Contradictions

Smith's analysis of feudalism in Book III of the *Wealth of Nations* illustrates how conjectural history can be used to gain critical leverage on institutions. The question is straightforward. How did feudalism emerge, and why did it fall? Smith's answer turns on a single mechanism (WN III.iv.4–17).[vi] Feudal lords maintained power through dependency relationships. They supported large retinues of dependents who provided both military force and social prestige. But when luxury goods became available through commerce, the lords redirected their surplus from maintaining dependents toward private consumption. This weakened the bonds of dependency on which their authority rested. The lords' pursuit of luxury undermined their own power, providing

Smith with example of how social outcomes can be the result of human action but not of human design (WN III.iv.10).

Creative imagination then fills the gaps in the historical record. We cannot directly observe the motivations of individual feudal lords or trace the precise sequence of events in each locale. But Smith constructs a plausible narrative by reasoning about how humans with recognizable motivations would respond to changed circumstances. The desire for luxury, the pleasure of consumption, the gradual weakening of personal bonds — all reflect universal features of human psychology operating within specific material constraints.

The analysis is at once explanatory and normative. It explains institutional change through a parsimonious causal story, and it carries normative weight by drawing attention to where the lords erred. They misunderstood the nature of their authority, thinking it inhered in their person rather than in their usefulness to their dependents. When they ceased being useful, their authority evaporated. This frames a more general insight about political power. In the long run, stable authority cannot rest merely on coercive capacity or historical precedent, instead it requires ongoing justification.[vii]

Colonial Relations and the Problem of Empire

Smith's analysis of the relationship between Britain and the American colonies offers an especially vivid illustration of how the same pattern can be deployed not just to reconstruct the past but to navigate a live political crisis. Developed as tensions between the two intensified, and expressed in both his published work and his private correspondence, Smith's treatment exemplifies how idealizations can supply both explanatory power and practical guidance for navigating crises like these.

Once again, Smith idealizes strategically to gain leverage on the source of the tension. In this case the source is a distorted understanding of national wealth and prosperity that, in Smith's view, dominated thinking on both sides of the brewing conflict. Britain bore enormous military and administrative costs defending colonies that contributed insufficient revenue, all while preventing those colonies from managing their affairs according to their own interests. And the mercantilist system restricting colonial trade enriched certain merchant interests at the expense of impoverishing both the colonies and Britain as a whole (WN IV.vii).

To gain leverage on this issue Smith deploys our creative imagination to reconstruct how this arrangement arose and persisted despite its manifest irrationality. The mercantile system, in his telling, reflected not careful calculation but "the clamorous importunity of partial interests" (WN IV.vii.c.66). Merchant monopolists convinced policymakers that national wealth derived from favorable trade balances and exclusive control over colonial markets (see Hanley and Paganelli,

2014). This confusion between currency flows and wealth justified policies serving narrow interests at the public's expense (WN IV.ii.43).

The normative role of Smith's approach then emerges through his presentation of stark alternatives. Rather than proposing incremental reforms to an unsustainable system, he presents clear and mutually exclusive choices. Either Britain should grant the colonies full parliamentary representation alongside proportionate taxation, or it should abandon its imperial pretensions entirely (WN IV.vii.c.74–79). The normative usefulness of presenting these stark alternatives doesn't depend on either being immediately implementable. By showing what the genuine choices are, Smith forces readers to confront the costs of the status quo — costs that can otherwise be hidden by the appearance of moderate, incremental reform. Yet Smith's idealization remains constrained by the realities of human nature. He judges incorporation unlikely precisely because it would "mortify the pride" of the British nation (WN IV.vii.c.79), and he notes in his 'Thoughts on the State of the Contest with America' that even beneficial colonial emancipation risked "discredit[ing] the Government in the eyes of our own people" (C 383). Public opinion, not technical rationality, determines political feasibility. Smith's idealization thus makes explicit the trade-offs between real and perceived wealth, and between national wealth and national vanity, forcing readers to confront the costs of empire.

Arguably this is where we most clearly see Smith in his role as a kind of public philosopher.[viii] What's most striking for our purposes is that we see the same three-part structure deployed in Smith's commentary on contemporary policy debates as we see in the more academic treatment he provides in his analysis of various enduring social phenomena.

V. Lessons for the Contemporary Debate

We have now traced Smith's systematic approach to idealization across his corpus Taken together, this body of work challenges the contemporary debate about ideal and non-ideal theory in three connected ways.

Lesson 1: Idealization Is Multidimensional

As we have seen, the contemporary debate has tended to focus on a single question — *how much* should we idealize? Defenders of ideal theory urge us to idealize boldly to gain critical leverage on existing arrangements, while critics counter that excessive idealization sacrifices practical relevance.

Smith's corpus suggests that this framing obscures what is most important about how idealization actually works. The relevant questions are not just about degree but about *structure*. Which dimensions do we idealize, which do we hold fixed, and how do the answers depend on

our explanatory and evaluative goals? Consider the contrast between two of the cases we have examined. The impartial spectator idealizes by removing partiality and granting full access to agents' intentions, but retains irregular sentiments, limited knowledge, and standards that vary across times and places. Smith's conjectural history of economic progress, by contrast, sets aside the contingencies that make each society's development unique but retains enduring features of human psychology and the material constraints that shape institutional possibilities.

Familiar positions in the debate differ not just in how far they depart from the facts on the ground but in which dimensions they depart along. Cohen and Rawls both idealize boldly, but they idealize along different dimensions. Cohen is willing to idealize agents' motivations, treating principles of justice as ultimately fact-insensitive (Cohen, 2008, chs. 6–7). Rawls holds much of moral psychology fixed (a sense of justice, the moral powers, the strains of commitment) while abstracting from partial compliance, non-ideal motivation, and historical injustice to construct detailed institutional arrangements for a well-ordered society. Schmidtz, by contrast, refuses to set aside the problem of compliance, treating it as central rather than peripheral to what theories of justice are for (Schmidtz, 2023). On a single-dial picture all three of these views would simply line up by how much idealization they tolerate. Once we attend to *which* dimensions are being idealized, the disagreements look very different. [ix]

The distinction between abstraction and idealization that we drew in Section II bears directly on Mills's (2005) worry that choices about what to abstract from often obscure injustice. When Rawls theorizes societies as cooperative ventures for mutual advantage while abstracting from the racial domination that actually structured American institutions, the problem is not simply that the theory is "too ideal." What appears to be a mere simplifying abstraction functions as a form of idealization that wishes away the very injustices that most urgently demand attention. Smith's approach is suggestive here. Even if he doesn't engage Mills's concern directly, he addresses part of the worry not by idealizing less but by idealizing differently, holding fixed the features of social dynamics that generate the phenomena under investigation.

Lesson 2: The Debate Has Been Impoverished by Its Confinement

A second and related limitation of the contemporary debate is that it has been conducted almost entirely within the confines of political philosophy, and within that domain it has been oriented overwhelmingly toward theorizing about justice. This is perhaps unsurprising given that the debate was sparked by Rawls's distinction between ideal and non-ideal theory, but it has impoverished the discussion in ways that attending to Smith's broader interests helps us see.

Indeed, one of the central contentions of this chapter is that the nuanced but consistent approach to idealization Smith adopts only emerges when his corpus is read together. Because Smith's idealizations are context-sensitive (calibrated to the explanatory and evaluative demands of each

domain) any single domain considered in isolation looks like it reflects a local methodological choice rather than a principled approach. The impartial spectator's retention of irregular sentiments, for example, looks like a concession to moral psychology rather than part of a wider pattern. It is the consistency of the three-part pattern across these very different domains that reveals something systematic at work. And if the structure of idealization really is context-sensitive in this way, then confining our attention to a single domain, however important, risks mistaking features peculiar to that domain for broader insights about what idealization can and cannot do.

Drawing parallels across the domains Smith theorizes reveals structural features of idealization that are difficult to discern when we attend only to political philosophy — and contemporary work in the philosophy of science corroborates this observation. A growing literature there has made clear that idealizations come in structurally distinct kinds, that the choices most central to successful idealization are about which features to idealize rather than how far to go, and that idealizations depend sensitively on the explanatory aims they are meant to serve (Weisberg, 2007; Potochnik, 2017). A closely related point has been pressed in political theory by Brennan and Hamlin (2009), who argue that positive political theory imposes substantial constraints on what normative political theory can coherently recommend. Smith's practice suggests something further about the relationship between these explanatory aims and normative theorizing, which I develop in the next section. In the history of astronomy, the progression from Ptolemy to Copernicus to Newton involves increasingly elegant idealizations that better approximated observed phenomena. In political economy, conjectural histories and institutional analyses deploy idealizations that both explain how institutions function and provide critical leverage for evaluating them. In each domain, the constraints on successful idealization are imposed not just by our normative commitments but by the causal structure of the phenomena under investigation. A theorist who thinks about idealization only in the context of principles of justice does not have access to these cross-domain checks on the modal conjectures that undergird her theorizing. Indeed, one admittedly speculative conjecture we might make is that the insistence of some political theorists on the independence of political theory from moral theory (with which I am sympathetic!) has nevertheless impoverished political theory by cordoning it off from neighboring fields whose resources might otherwise inform it.

Lesson 3: The Dual Function of Idealization Dissolves the Tragic Framing

The two lessons above clear the ground for what is perhaps the most important insight Smith's approach provides. Smith's systematic deployment of idealization for both explanatory and normative purposes shows that the tragic framing introduced at the outset rests on a false dichotomy. Idealizations deployed for explanatory purposes are not confronted with the same choice between critical distance and practical relevance, and theories that lean on these idealized

models gain normative leverage partly by illuminating how things actually work. The impartial spectator gains critical purchase not by depicting ideal agents but by explaining patterns in actual sentiments and showing how those sentiments themselves commit us to cleaning up our judgments. Smith's conjectural history of feudalism simultaneously explains how feudal institutions emerged, why they contained internal contradictions, and what general lessons about political authority follow from their collapse. In each case, the normative weight of the analysis is shaped by the explanatory work it performs.

With these observations in mind, two recent attempts to chart a middle course in the contemporary debate are worth commenting on, since they capture some of what Smith's approach makes available. Jerry Gaus has argued that idealizations can provide genuine guidance, but that our ability to credibly articulate ideals for worlds very different from our own is sharply constrained by what he and I have elsewhere called a "neighborhood constraint" on our theorizing (Gaus, 2016; Gaus and Hankins, 2017). Jeff Carroll (2022) has developed a related approach, suggesting that we might navigate toward the ideal via a series of intermediate targets, each within reach of the last. Carroll's approach is suggestive precisely because each intermediate target can be calibrated to the institutional realities currently in view, in a way that fixed ideal targets cannot. These are genuine alternatives to the tragic framing, and Gaus in particular draws attention to the question of *which* features of the world we're attending to. Neither of these frameworks self-consciously casts themselves as developing a Smithian insight though.

Also worth considering is the distinction David Wiens (2025) has drawn between the "sharpening" and "guiding" functions of idealized models. Wiens argues that idealized models can sharpen our normative thinking by embodying abstract concepts and revealing how normative criteria fit together, but that they cannot provide normative *guidance*, because the reasoning theorists use to designate particular models as ideal is liable to be indeterminate. Smith's approach offers a third option Wiens does not really consider. Wiens is skeptical of reasons we have for leaning on any particular ideal model for guidance. The Smithian view sidesteps this challenge by not asking idealization to do that work on its own. Idealizations that must explain actual institutional dynamics simultaneously sharpen conceptual understanding and provide normative leverage on the institutions they describe. They do not merely clarify what impartiality or justice *mean* in the abstract. They tell us something about the possibilities actually available to us.

Still, Smith's account shares more with Wiens than with Cohen, who as we saw in Lesson 1 is willing to idealize agents' motivations and who argues that normative principles must ultimately be fact-insensitive (Cohen, 2008, chs. 6–7). For Smith, normative principles emerge from understanding how institutions work for actual humans, and so the "coarse clay" of human nature (TMS III.v.1) serves as both an empirical constraint on our theorizing and a normative

resource. Idealizations that explain institutional dynamics in this way also build in the causal understanding needed to navigate the evaluative landscape that the neighborhood-search framework describes. Without telling us what the best possible social world looks like in a metaphysically ambitious sense, they help us identify which nearby alternatives represent genuine improvements and which institutional changes are likely to produce unintended consequences. What remains, then, is not complacency but a different picture of normative progress. Rather than proposing a fixed target and then asking how to get there, the Smithian approach involves what we might call a rolling calibration, akin to Sen's comparative approach and Carroll's intermediate targets. The ideal emerges through institutional evolution rather than preceding it. Each reform reveals new possibilities and constraints, and what counts as improvement depends on where we are and what we have learned. That, in the end, is the lesson available to us when we read Smith's corpus together and allow methodological resources from outside political philosophy to inform our theorizing about politics. The impasse that has shaped contemporary debates about ideal and non-ideal theory is, on the Smithian picture, not a feature of the theoretical terrain but an artifact of how we have chosen to map it.

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[i] Although Rawls is often credited for drawing the distinction in A Theory of Justice (1971), questions about the relationship between idealization and normative guidance run throughout the history of philosophy. For helpful overviews see (Valentini, 2012; Stemplowska and Swift, 2012).

[ii] Though Schmidtz (2023) explicitly takes himself to be developing a Smithian account of moral science that anticipates some of what I say here.

[iii] WN V.i.g.1–24. For modern treatments of Smith's economic analysis of religious markets see (Iannaccone, 1991; Weingast 2023). For an extended account of how Smith's recommendations differ across England, Scotland, and the colonies, see chapters 7–9 of (Griffiths, 2023).

[iv] See Sayre-McCord (2010) for a modestly idealized account of Smith's spectator and the relationship between sentimentalism and ideal-observer theories, and for a more idealized treatment of Smith that still distinguishes his spectator from an ideal-observer Ben-Moshe (forthcoming).

[v] For more extensive discussion the irregular sentiments that resist idealization see TMS II.iii and for discussion Hankins (2016).

[vi] For more extensive treatments of Smith's account of the rise and fall of feudalism, see (Weingast, 2017) and (Sagar, 2022).

[vii] See also WN V.i.b, and for discussion of the importance of ongoing legitimation (Sagar, 2018).

[viii] On the relationship between the systematic character of Smith's thought and his role as a public thinker see (Schliesser, 2017). For a more detailed treatment of Smith's views on American independence see (Pitts, 2005, chap. 2).

[ix] It's something of an exaggeration to say that the literature has ignored the importance of what dimensions we are idealizing along. As the debate between Rawls and Cohen makes clear many theorists are clear about which dimensions they are holding fixed. See also (Hamlin and Stemplowska, 2012) and (Robeyns, 2008) for early attention to the methodological significance of this. But even those contributions have tended to oversimplify or ignore the question of how the degree of idealization that is appropriate depends on the dimension we are idealizing along.

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References to Smith's writings use the standard Glasgow Edition abbreviations: TMS (*The Theory of Moral Sentiments*), WN (*Wealth of Nations*), HA and AP (in *Essays on Philosophical Subjects*), FFL (in *Lectures on Rhetoric and Belles Lettres*), and C (*Correspondence*).

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