The Wealth of Nations

Marking Two Hundred and Fifty Years

1776 – 2026

Executive Brief Series

Policy priorities for governments, regulators and international institutions



GLOBAL
ETHICAL FINANCE
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Smith250 Rebuilding Trust in Markets

Executive Brief

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Executive Summary

Developed in partnership with **Royal London**, *Wealth of Nations: Marking Two Hundred and Fifty Years* brought together 19 contributors from across finance, academia, policymaking and international institutions to explore how Adam Smith's ideas can inform the future of markets in an era of geopolitical fragmentation, systemic risk and accelerating global change.

Building on the publication, the Global Ethical Finance Initiative (GEFI) and Royal London convened the Smith250 Roundtable during London Climate Action Week, bringing together authors and senior leaders from finance, government, business and civil society to explore the practical implications for policy and practice.

This brief translates the publication and roundtable discussions into practical guidance for governments, regulators and international institutions. It identifies leadership priorities to strengthen markets, stewardship and long-term value creation.

The discussions affirmed that markets do not thrive through competition alone. They depend upon strong institutions, clear and predictable rules, and a shared sense of responsibility. The role of policymakers is not simply to regulate markets, but to create the conditions in which they can generate long-term prosperity, resilience and shared value. This is particularly important at a time when geopolitical fragmentation, declining institutional trust and systemic risks are reshaping the global economy.

Leadership Priorities

- **Make institutions investable and create the conditions for long-term value creation.** Predictable regulation, credible public institutions and stable policy frameworks reduce risk, strengthen market confidence, and encourage stewardship, innovation and productive investment that supports both economic prosperity and wider societal value. Government should also work with business and institutional capital to identify and remove barriers to productive investment, including through appropriate public-private investment and risk-sharing mechanisms.
- **Do not send conflicting market signals or reward short-termism**. Align industrial, fiscal, energy, climate and regulatory policy to provide a coherent long-term direction for investors. Ensure incentives favour patient capital investment into strategic infrastructure, innovation and resilience over short-term arbitrage.
- **Continue competing strategically without abandoning cooperation**. Maintain the UK's tradition of building trusted international partnerships on challenges where no nation can succeed alone, including climate resilience, critical minerals, financial stability and cross-border investment.

Key Insights

Markets depend on trust. Trust is an essential component of functioning markets. Stable institutions, transparent regulation and confidence in international cooperation reduce uncertainty and enable investment.

Long-term policy certainty attracts long-term capital. Institutional investors require stable policy frameworks to invest confidently in infrastructure, innovation, economic transition as well as secure, clean and resilient energy. Frequent policy changes increase uncertainty and discourage productive investment.

Global challenges require collective responses. Climate change, financial stability, supply chain resilience and geopolitical risks cannot be addressed through unilateral action alone. Effective international cooperation remains critical in a more fragmented and multipolar world.

Long-term value creation should remain the objective. Participants consistently argued that stewardship, sustainability and responsible business practices are not separate from commercial success—they are increasingly fundamental to creating resilient, long-term economic value.

Why This Matters?

Adam Smith argued that markets are not ends in themselves, but mechanisms for improving the welfare of society. Two hundred and fifty years later, that principle remains highly relevant, but the context has changed significantly.

Growing geopolitical competition, protectionist policies, supply chain vulnerabilities and climate-related risks are challenging the assumptions that have underpinned the global economy for decades. At the same time, declining trust between governments and institutions is making international cooperation increasingly difficult.

Roundtable participants reflected that this is not simply a period of economic transition, but one in which the institutional foundations of markets are being tested. The effectiveness of markets depends not only on competition and innovation, but also on confidence in the rules, institutions and relationships that enable them to function.

Rather than signalling the end of open markets, participants argued that this moment presents an opportunity to strengthen international institutions and cross-border policy frameworks that support long-term investment, resilience and shared prosperity.

Looking Ahead

The Smith250 dialogue reaffirmed that the enduring relevance of Adam Smith lies not simply in his understanding of markets, but in his recognition that prosperous economies depend upon trust, effective institutions and moral responsibility.

In an increasingly fragmented world, governments, regulators and international institutions have a critical role in creating the conditions under which markets can continue to deliver long-term prosperity, resilience and shared value. The challenge is not to choose between competitiveness and responsibility, but to recognise that the most competitive economies will increasingly be those that succeed in achieving both.