The Economy Has Become Detached from Society. It Needs a Civic Reset.

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Something important is happening beneath the noise of markets, summits and forecasts. Across the world, trust in the economic system is draining away. Not because people have turned against enterprise or forgotten the value of markets, but because too many no longer recognise the economy as something that serves society. Instead it seems to dominate society.

Growth continues, yet insecurity deepens. Wealth accumulates, yet dignity frays. Markets expand, yet social cohesion weakens. These are not temporary disruptions. They point to a deeper failure. The economy has become detached from the civic and moral foundations that once gave it legitimacy.

For decades, global economic coordination has been shaped by elite forums such as the World Economic Forum, focused on managing risk, stabilising markets and optimising outcomes within a familiar paradigm. That paradigm is now failing on its own terms.

Inequality continues to rise, ecological limits are breached, democratic trust erodes, and economic decision-making feels increasingly remote from everyday life. This is not a crisis of expertise. It is a crisis of legitimacy. And legitimacy cannot be restored by optimisation alone.

The mistake we keep making is to treat economics as if it were merely technical. As if it could be separated from values, power, culture and history. It cannot. The economy is a civic institution.

Like law, education or public health, it shapes how people live together, how power is distributed, and whose interests count. When that civic dimension is ignored, economic systems may appear efficient while becoming socially corrosive. In such conditions the idea of Civil Economics becomes essential.

Civil economics starts from a simple premise, The economy is not a machine to be optimised, but a moral and civic system embedded in society.

It recognises that markets only function well when they are grounded in trust, reciprocity, democratic legitimacy and moral responsibility. Growth is treated as a means rather than an end. Efficiency is weighed against dignity. And economic decisions are accountable not only to experts or shareholders, but to society as a whole.

This is not a new idea. In fact, it predates modern economics as we now understand it.

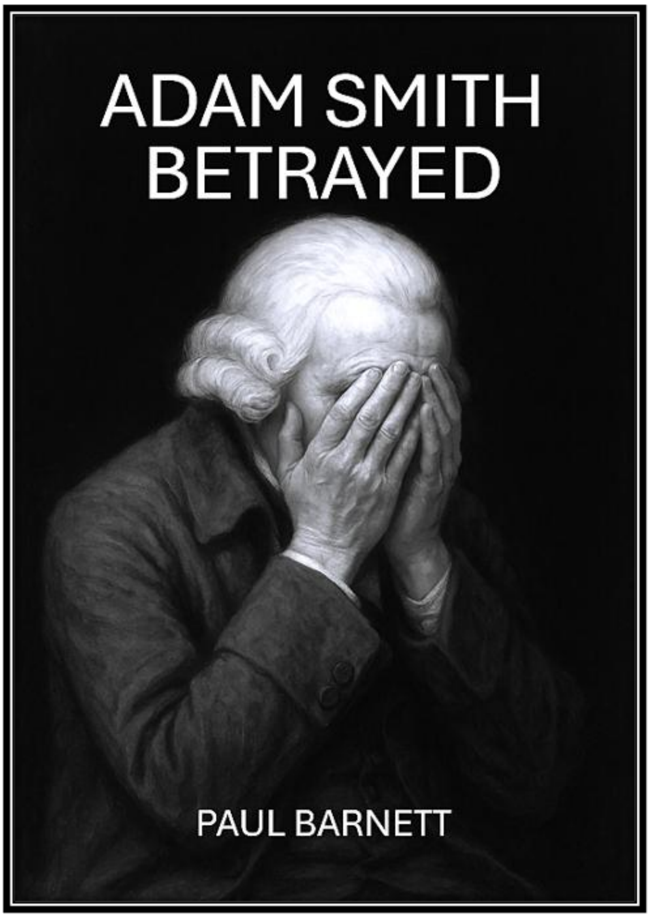
The concept of civil economics was articulated most clearly in the eighteenth century by Antonio Genovesi. In 1754, he was appointed to the first chair of economics in Europe at the University of Naples Federico II.

Writing in Naples, a city marked by poverty, inequality and weak institutions, Genovesi argued that markets are fundamentally moral institutions. In his *Economia Civile,* published in 1776, he placed reciprocity, trust and what he called "public happiness" at the centre of economic life.

Commerce, in his view, was justified only insofar as it strengthened social bonds and upheld human dignity.

Genovesi's economics was explicitly civil. It treated economic life as inseparable from ethics, politics and society. Wealth was a means. Human flourishing was the end. This tradition runs alongside, and is entirely consistent with, the moral philosophy of Adam Smith, a contemporary of Genovesi. Before he was reduced to a slogan about self-interest, Smith was deeply concerned with sympathy, moral judgement and the social conditions that make markets possible. His *Theory of Moral Sentiments* makes clear that economic exchange depends on norms it cannot generate on its own.

What followed, however, was not Smith or Genovesi taken seriously, but both quietly set aside. In ***Adam Smith Betrayed*** which I am currently writing I explain how this happened and why it happened. It will be published on March 9th this year, on the 250th anniversary of the publication of the Wealth of Nations.



Economics gradually stripped itself of moral language in pursuit of scientific purity. Neoliberalism completed that journey, redefining freedom as market freedom alone, treating society as an externality, and assuming that legitimacy would flow automatically from efficiency and growth. It has not. And all that amounts to what I have called the hubris of economics.

Neoliberal economics hollowed out institutions by severing them from civic accountability. It concentrated power, weakened democratic voice, and reduced economic life to abstraction. The result is the legitimacy crisis we now face.

Civil Economics is not a fringe alternative. It is the foundation for a recovery of the tradition that economics abandoned. And the continuous development of it for a far more dynamic and complex world.

Crucially, this is not about returning to the past. Civil economics is not nostalgia. It is a dynamic discipline, capable of learning, adapting and evolving. It draws insight from history, but it also engages directly with contemporary realities: global interdependence, ecological limits, technological transformation and cultural plurality. It treats economic systems as living complex adaptive systems, that must be continually renewed through learning, participation and accountability.

Civic Sovereignty becomes inseparable from Civil Economics. If economics is a civic practice, then societies must retain sovereignty over how economic power is exercised. Civic Sovereignty does not mean state control of everything. It means civic authority over the rules, purposes and limits of economic life. It means institutions that answer to society for how they create value, distribute power and shape futures. Civil Economics provides the moral and conceptual foundation. Civic Sovereignty provides the institutional legitimacy.

Together, they offer something neoliberalism cannot, a legitimate, coherent and durable system. Not an anti-market ideology. But a re-embedding of markets within social purpose. Not a rejection of expertise. But a rebalancing of expertise with participation. Not a single model to be imposed everywhere. But a shared orientation grounded in dignity, democracy and care for the living world.

This is also why Civil Economics must be plural. There is no single system that has resolved these challenges once and for all. Across history and across cultures, societies have repeatedly tried, imperfectly, to civilise economic life when markets became destructive. Each attempt solved some problems and revealed others. That is not failure. It is how institutional learning works. The task now is to take that learning seriously.

The Civil Economics Forum will not be another elite coordination exercise, but instead a civic learning space. A forum that treats economics as a shared social project rather than a technical domain reserved for specialists, because as the economist Ha Joon Chang famously said, "economics is far too important to be left to the economists." The Forum will be a place to ask, openly and seriously, how economic life can remain productive without becoming dehumanising.

There will never be a perfect economic model. That is not the point. The point is whether our economic institutions serve society, or whether society is expected to serve them.

The economy is too powerful to remain detached from civic life, and too important to be left to abstraction. Civil Economics offers a way forward, not by denying complexity, but by restoring moral clarity. And in doing so, it may finally allow us to see the back of neoliberalism, not through rejection alone, but by transcending its limitations with something stronger, deeper and more legitimate.

The Civil Economic Forum will begin life as a participatory learning network for a global audience, established by the Enlightened Enterprise Academy.

Visit the **Enlightened Enterprise Magazine** on Substack to follow this development. And email me if you would like follow or be part of this initiative. **paul@enlightenedenterprise.ac**