

Investing in the context of the evolution of monetary systems: an economic analysis

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Abstract

Introduction. The article analyzes investment in the context of the evolution of monetary systems and the transformation of the financial architecture of the modern economy. Unlike classical and neoclassical approaches, which treat the monetary system as an institutionally neutral environment, this study proceeds from the assumption that the structure of money, emission mechanisms, and interest-debt logic have a systemic impact on investment behavior and the distribution of capital between the real and financial sectors. The relevance of the work is determined by the growth of financialization, the digitization of financial infrastructure, and the spread of sustainable investment practices.

Methodology. The study is theoretical and analytical in nature and is based on institutional and comparative approaches. Methods of conceptual analysis, historical and economic comparison, and typology are used. The theoretical basis is provided by classical and modern investment theories, institutional economics, and critical monetary theory, as well as a review of recent scientific publications and materials from international financial organizations.

Main material. It is shown that the dominance of the interest-debt monetary system leads to an institutional shortening of the investment horizon and a shift in capital flows towards short-term and highly liquid projects. Alternative interpretations of the role of money and interest are considered, including approaches that treat money as a social and institutional agreement. Particular attention is paid to Bernard Lietaer's concept, in which monetary architecture is an active factor in the formation of investment incentives. Using the example of government bonds, infrastructure investments, complementary currencies, and sustainable financial instruments, the dual role of financial institutions in stimulating growth and reproducing systemic risks is demonstrated.

Prospects and recommendations. It is argued that a new investment equilibrium is possible with the development of complementary monetary and financial circuits, the integration of sustainable finance into regulatory standards, the digitalization of investment infrastructure, and the expansion of investment performance criteria beyond purely financial returns.

Conclusions. We conclude that there is a need to revise the classical understanding of investment towards an institutionally expanded framework that takes into account monetary architecture, socio-environmental effects, and the long-term sustainability of investment decisions.

Keywords: investment; monetary systems; financialization; institutional economics; sustainable finance.

Інвестування в контексті еволюції грошових систем: економічний аналіз

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Анотація.

У статті аналізується інвестування в контексті еволюції грошових систем і трансформації фінансової архітектури сучасної економіки. На відміну від класичних і неокласичних підходів, у межах яких грошова система розглядається як інституційно нейтральне середовище, дослідження ґрунтується на припущенні, що структура грошей, механізми емісії та процентно-боргова логіка мають системний вплив на інвестиційну поведінку та розподіл капіталу між реальним і фінансовим секторами. Актуальність роботи зумовлена зростанням фінансiалiзацiї, цифровiзацiєю фiнансової iнфраструктури та поширенням практик сталого iнвестування.

Методологія. Дослідження має теоретико-аналітичний характер і базується на інституціональному та порівняльному підходах. Використано методи концептуального аналізу, історико-економічного зіставлення та типологізації. Теоретичною основою слугують класичні й сучасні теорії інвестування, інституціональна економіка та критична грошова теорія, а також огляд новітніх наукових публікацій і матеріалів міжнародних фінансових організацій.

Основний матеріал. Показано, що домінування процентно-боргової грошової системи призводить до інституційного скорочення інвестиційного горизонту та зміщення потоків капіталу в бік короткострокових і високоліквідних проєктів. Розглянуто альтернативні інтерпретації ролі грошей і процента, зокрема підходи, що трактують гроші як соціальну та інституційну угоду. Особливу увагу приділено концепції Бернара Лієтара, у межах якої грошова архітектура постає активним чинником формування інвестиційних стимулів. На прикладах державних облігацій, інфраструктурних інвестицій, додаткових валют і сталих фінансових інструментів продемонстровано подвійний характер ролі фінансових інститутів у стимулюванні зростання та відтворенні системних ризиків.

Перспективи та рекомендації. Обґрунтовано, що формування нової інвестиційної рівноваги можливе за умов розвитку комплементарних грошових і фінансових контурів, інтеграції сталих фінансів у регуляторні стандарти, цифровізації інвестиційної інфраструктури та розширення критеріїв інвестиційної ефективності за межі виключно фінансової дохідності.

Висновки. Зроблено висновок про необхідність перегляду класичного розуміння інвестування в бік інституційно розширеної рамки, яка враховує грошову архітектуру, соціально-екологічні ефекти та довгострокову стійкість інвестиційних рішень.

Ключові слова: інвестування; грошові системи; фінансiалiзацiя; iнституцiональна економiка; сталі фiнанси.

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Introduction.

In economics, investment is traditionally defined as the process of allocating capital with the aim of generating future income. In neoclassical and Keynesian models, investment is seen as a key factor in economic growth, the formation of aggregate demand, and the expansion of the economy's productive capacity (Keynes, 1936; Solow, 1956). At the same time, the monetary system is often assumed to be an institutionally neutral environment that does not independently influence the structure of investment decisions.

However, research in recent decades has shown that the nature of investment is largely determined by the structure of the monetary system, primarily by the mechanisms of issuance, lending, and interest rates. The development of financial markets and the associated financialization of the economy are changing the investment behavior of economic agents, affecting the distribution of capital between real and financial assets (Ferguson, 2008; Lietaer, 2001). These transformations prompt a rethinking of classical ideas about investing as a purely rational choice in favor of models that take institutional and financial factors into account.

On the one hand, the institutional features of monetary policy, including central bank objectives and money creation mechanisms, influence the structure of investment flows and the risk profile of assets (see Bank for International Settlements, 2025). On the other hand, the financialization of the corporate sector leads to a reorientation of the strategies of capital-intensive firms in favor of financial transactions and speculative investments (Rabinovich, 2025). Taken together, this changes traditional investment trajectories, reducing the share of long-term real investments in favor of short-term financial strategies.

The research hypothesis is that the structure of the monetary system, in particular the dominance of the interest-debt mechanism, has a systemic impact on investment behavior, shifting investment flows towards short-term and highly liquid projects, thereby limiting the development of long-term socially significant investments. At the same time, the transformation of the institutional characteristics of the monetary system – including the digitization of financial infrastructure and the spread of sustainable investment practices – can lead to the formation of a new investment equilibrium in which investment strategies will be determined not only by traditional factors of profitability and risk, but also by long-term socio-environmental effects, and the interaction between the real and financial sectors of the economy will become more integrated.

Analysis of publications. Contemporary scientific literature on the subject of investment indicates a shift in emphasis from classical investment theory to research that takes into account the influence of financial structure, the banking system, and monetary policy on investment behavior. Thus, the issue of financialization of the

economy has become the subject of active discussion. The term "financialization" refers to the growing importance of the financial sector and financial motives in the economy, which is reflected in the investment activity of firms and states (Qi, 2019; Epstein, 2005). Although Qi's (2019) review covers studies after the global financial crisis, it shows that financialization affects real investment, often reducing the rate of investment in fixed capital and increasing speculative capital flows.

Mamuti et al. (2025) analyzes the relationship between financialization and economic growth using Croatia as an example, identifying a stable long-term equilibrium between financialization and GDP growth, but without a proven causal link (Mamuti et al., 2025). This work demonstrates that financialization affects the economy not only through traditional investment channels, but also through complex mechanisms of resource allocation between segments of the economy.

Rabinovich (2025), in his work on corporate financialization, emphasizes that the financialization of the corporate sector leads to changes in investment strategies, reducing the share of long-term capital investments in favor of financial transactions, which reflects a change in the investment paradigm in both micro- and macroeconomic contexts.

Monetary policy is also becoming a key element of investment analysis. Monetary conditions, interest rates, and the availability of credit resources have a direct impact on the cost of capital and investment decisions. New research, such as Liu (2025), examines the impact of financialization on the link between monetary policy and innovation in green technologies, reflecting a growing interest in investments that combine financial returns with environmental sustainability.

Other publications examine the impact of central bank policies on market investment and asset pricing, reinforcing the thesis that investment activity is inseparable from the institutional context of the monetary system (Han, 2025).

A separate vector of research is related to technologies and digital transformations of the monetary and financial system. BIS (2025) highlights the potential of central bank digital currencies and asset tokenization as a factor that can change investment mechanisms by improving access to capital and reducing transaction costs. This points to a possible shift in investment logic towards more integrated financial technology platforms.

A review of recent publications shows that the latest research not only confirms the ideas about the impact of financialization on investment, but also expands on them by integrating:

- the impact of the institutional monetary structure on investment (BIS, 2025);
- the transformation of corporate investment under the pressure of financialization (Rabinovich, 2025);
- new links between monetary policy and investment dynamics (Liu, 2025);

– empirical data on the impact of financialization on economic growth in developing countries (Mamuti et al., 2025).

Thus, the literature of the last five years confirms the relevance of revising classical investment theory to take into account financial and institutional factors, and also points to the direction of future research, including the digitalization of finance and sustainable investment practices.

Methodology. This study is theoretical, analytical, and conceptual in nature and is based on an interdisciplinary analysis of economic theory, institutional economics, and the history of financial systems. The study uses a critical review of the scientific literature, including classical economic works, contemporary empirical research, and concepts that view money as an institutional and social construct. Particular attention is paid to comparing neoclassical, Keynesian, and institutional approaches to investment in order to identify the impact of monetary architecture on investment behavior and investment time horizons.

The methodological framework of the study is based on historical and economic analysis, institutional comparison, and conceptual modeling, which allows for the systematization of various models of money and corresponding types of investment. Empirical data and the results of contemporary research are used not for statistical testing of hypotheses, but for theoretical

verification and illustration of the propositions put forward. This approach makes it possible to identify structural relationships between the monetary system, financialization, and investment dynamics, as well as to formulate the conditions for a possible transformation of investment equilibrium in the modern economy.

The scientific contribution of this study lies in the development of a conceptual typology of the interrelationships between monetary systems and investment behavior, the conduct of an institutional comparative analysis of different models of money, and the expansion of the analytical framework for investment research beyond traditional financial performance criteria.

Main material.

Today, it is evident that in practice, the growth of the financial sector is often accompanied by a decline in the share of investment in the real sector of the economy and an increase in the volume of speculative financial transactions (Stockhammer, 2004). Analysis of data on developed economies shows that companies are increasingly directing profits towards financial transactions and share buybacks rather than productive investment, which has a negative impact on long-term economic growth (Orhangazi, 2008). Financialization reinforces the short-term orientation of investors and increases the vulnerability of the economy to crises, confirming the arguments about the systemic limitations of the interest-debt model of investment (Table 1).

Table 1.

Money model → type of investment → socio-economic consequences

Money model	Economic logic	Type of investment	Socio-economic consequences
Commodity money	Resource scarcity	Accumulative	Capital conservation, low mobility
Interest-bearing debt money	Growth to service debt	Speculative, growth-oriented	Crises, inequality, financialization
Money as a debt agreement	Accounting for liabilities	Socially oriented	Institutional stability
Money with demurrage	Acceleration of turnover	Long-term real investment	Stability, infrastructure development
Hybrid models (ESG)	Balance of profit and sustainability	Impact investing	Reduction of externalities

Source: developed by the authors

It is important to clarify the difference between the categories of "interest-bearing debt money" and "money as a debt agreement," which, despite their external similarity, reflect fundamentally different institutional logics. In an interest-bearing debt system, a debt obligation implies the mandatory accrual of positive interest, centralized money issuance through bank credit, and formalized penalties for non-payment, which structurally necessitates constant economic growth to service the debt. In contrast, money as a debt agreement is based on mutual obligations between economic agents, can function without a fixed interest rate, allows for decentralized issuance and relies primarily on institutional and social mechanisms for securing obligations (trust, reputation, collective

responsibility), rather than exclusively on coercive enforcement. This difference fundamentally affects investment incentives, time horizons, and acceptable forms of economic activity.

For a deeper understanding of economic processes, it is worth referring to Niall Ferguson's historical and economic analysis, which shows that the development of investment instruments is closely linked to the evolution of monetary and financial institutions (Ferguson, 2008). The emergence of government bonds, joint-stock companies, and insurance facilitated the mobilization of capital for large-scale infrastructure and military projects, but at the same time increased financial risks and the cyclical nature of crises.

One of the key stages in the evolution of investing was the emergence of government bonds in the early modern period. As Ferguson (2008) shows, it was the government debt market that allowed European states to mobilize significant financial resources for waging wars, colonial expansion, and infrastructure construction. Investing in government bonds became a relatively low-risk way to allocate capital, which contributed to the formation of a broad class of early investors.

From an economic point of view, this mechanism led to the institutionalization of debt relations between the state and private capital, as well as to the formation of a secondary securities market. Investments increasingly detached themselves from real production and took on a financial and speculative character.

Historical examples demonstrate the nature of the development of investment approaches. For example, the 19th century was marked by large-scale investments in railway construction, which became one of the first examples of long-term infrastructure investments financed through capital markets. Railways required significant initial investment and a long payback period, which stimulated the development of joint-stock companies, investment banks, and stock markets (Ferguson, 2008). At the same time, railway investments also demonstrated the vulnerability of the financial system: speculative bubbles associated with railway stocks repeatedly became a source of economic crises. This case clearly illustrates the dual nature of investment in the interest-debt system – the ability to stimulate economic growth and, at the same time, generate systemic risks.

During the period of industrialization, investment was increasingly concentrated in capital-intensive industries that required significant financial resources and centralized management. The formation of large corporations and banking conglomerates widened the gap between the financial and real sectors of the economy. Investment became a tool not only for economic development, but also for the concentration of economic power, which subsequently became the subject of criticism from institutional and post-Keynesian economists (Minsky, 1986).

As an alternative to the interest-debt model, Lietaer

cites examples of monetary systems with demurrage – a fee for storing money. The economic effect of such systems is to accelerate money circulation and reduce incentives for accumulation. As a result, investments are directed primarily to real long-term projects rather than financial assets (Lietaer, 2001).

It is interesting to note that David Graeber's anthropological research shows that historically, investments arose in the form of debt and credit obligations long before the advent of coinage (Graeber, 2011). The economic activity of early societies was based on mutual obligations, and investments were investments in social connections, infrastructure, and collective sustainability.

Felix Martin views money as a technology for accounting for obligations and redistributing risks over time (Martin, 2014). In this interpretation, investing is not only a mechanism for generating income, but also a way of organizing the future, distributing uncertainty, and coordinating collective expectations.

This approach broadens the economic understanding of investment, allowing intangible factors such as trust, institutional stability, and social capital to be included in the analysis.

In classical political economy, investment was interpreted as a form of capital accumulation that ensured the expansion of production and the growth of national wealth, while money performed primarily as a medium of exchange and a measure of value and was considered neutral in relation to investment motivation (Smith, 1776; Ricardo, 1817). Keynesian theory supplemented this approach by introducing the factor of uncertainty and expectations, emphasizing the role of "animal spirits" in investment decisions, but even in this model, the interest rate retained its status as the key regulator of investment activity (Keynes, 1936). In the neoclassical and neo-Keynesian models of the second half of the 20th century, investment is finally interpreted as the result of rational choice, determined by the marginal productivity of capital, the cost of capital, and income expectations, while the monetary system is viewed as exogenous and neutral with respect to long-term real processes (Solow, 1956; Tobin, 1969). The chronology of the evolution of classical approaches to investment is presented in Table 2 (Table 2).

Table 2.

Classical economic approaches to investment (18th – mid-20th century)

Theoretical approach	Key representatives	Understanding of investment	The role of money	Key factors in investing
Classical political economy	A. Smith, D. Ricardo	A form of capital accumulation that ensures the expansion of production and the growth of national wealth	Means of exchange and measure of value; neutral with respect to investment	Rate of profit, capital accumulation, expansion of production
Keynesian theory	J. M. Keynes	Investment as decisions under uncertainty and unstable expectations	Money influences through interest rates and liquidity preference	Interest rates, expectations ("animal spirits"), level of uncertainty

Theoretical approach	Key representatives	Understanding of investment	The role of money	Key factors in investing
Neoclassical theory	R. Solow, J. Tobin	Rational choice aimed at maximizing expected profit	The monetary system is exogenous; the principle of monetary neutrality	Marginal productivity of capital, cost of capital, income expectations
Neo-Keynesian models	R. Solow, J. Tobin	Investment as a response to capital market signals	A tool for macroeconomic stabilization	Market signals, government policy, interest rates

Source: developed by the authors

Unlike classical models, the institutional approach views investment behavior as the result of the combined action of formal and informal institutions, including the monetary system, legal regulation, and financial infrastructure, treating money as a mechanism for coordinating economic activity rather than a neutral medium of exchange (North, 1990). From this perspective, the interest rate is not only the price of

capital, but also an instrument for redistributing risks and power, which gives investments in the interest-debt system a structural orientation towards highly liquid and short-term projects and reduces the institutional attractiveness of long-term infrastructure and socially significant investments (Lietaer, 2001; Minsky, 1986). Contemporary institutional and critical approaches to investment are summarized in Table 3 (Table 3).

Table 3.

Contemporary institutional and critical approaches to investment (late 20th – 21st century)

Theoretical approach	Key representatives	Understanding of investment	The role of money and interest	Structural effects on the economy
Institutional approach	D. North	Investment as an institutionally determined process	Money as a mechanism for coordinating economic activity	The dependence of investment on legal and financial institutions
Post-Keynesian Approach	H. Minsky	Investment depends on financial stability and debt structure	Interest rates – a source of financial instability	Financial cycles, crises, instability
Critical monetary theory	B. Lietaer	Investments are shaped by monetary architecture	The interest rate and debt system sets the direction for investments	Shift towards short-term and liquid projects
Modern hybrid approaches (ESG, impact)	Modern research	Investments as a combination of profit and sustainability	Money as a tool for long-term transformation	Social and environmental orientation of investments

Source: developed by the authors

It should be noted that in economic theory there are alternative interpretations of the role of interest rates, viewing them as a coordinating mechanism for the intertemporal allocation of resources and a tool for selecting investment projects based on efficiency criteria. However, this article deliberately uses Lietaer's institutional-critical approach, since the research focus is on analyzing the long-term and structural effects of monetary architecture on investment dynamics, rather than on a microeconomic assessment of the effectiveness of individual investment decisions.

Thus, the difference between the neoclassical and institutional approaches lies not only in the methodology of analysis, but also in the interpretation of the very nature of investment: either as a universal mechanism for the distribution of capital, or as an institutionally conditioned process embedded in a specific monetary and financial architecture.

An alternative approach to investment analysis is presented in works that view money as an institutional

and social construct. Bernard Lietaer defines money as "a collective agreement within a community to use a certain instrument to facilitate exchange" (Lietaer, 2001). In this interpretation, the monetary system is not neutral: it shapes incentives, time horizons, and acceptable forms of investment.

Lietaer emphasizes that the modern fiat system, based on interest on loans, creates a structural money deficit, since there is always less money in circulation in the economy than is needed to repay debts with interest. As a result, investment takes on the character of forced growth: capital must constantly expand in order to service debt obligations (Lietaer, 2001).

From an economic point of view, this means a shift in investment activity towards projects with high rates of return and short payback periods, which increases financial speculation and reduces the attractiveness of long-term public investment.

The potential for transforming the investment environment in light of Bernard Lietaer's ideas is

quite promising for implementation. Bernard Lietaer's approach to money as an institutional and social construct allows for a new interpretation of the key problems of the modern investment environment. In his concept, the monetary system is not a neutral backdrop for economic activity, but an active factor that shapes incentives, time horizons, and acceptable behavioral forms of investment (Lietaer, 2001), which does not contradict our definition of the subject of economics and fits in with our explanations (Ivanova & Anpilohov, 2025). Consequently, a change in the architecture of money inevitably leads to a transformation of investment behavior.

One of the central consequences of the interest-debt monetary system, according to Lietaer, is the institutional shortening of the investment horizon. The need to service debt with interest puts pressure on capital, forcing investors to give preference to projects with high liquidity and quick returns. As a result, long-term investments – infrastructure, social, environmental – become structurally less competitive.

The introduction of alternative monetary mechanisms, in particular currencies with demurrage (a fee for storing money), could change this logic. The economic effect of demurrage is to reduce incentives for accumulation and increase motivation to invest in real assets with long life cycles. In such a system, the time horizon for investment shifts from short-term returns to long-term sustainability, potentially expanding the scope for socially significant projects.

From Lietaer's point of view, interest rates serve not only as the price of capital, but also as a structural filter that determines which projects have access to financing. Projects with moderate but stable returns are systematically displaced in favor of high-risk and high-return investments. This exacerbates financial speculation and contributes to the growth of financial bubbles.

An alternative monetary architecture, involving the coexistence of several types of currencies (multicurrency systems), could diversify investment incentives. In such conditions, part of the investment could be made in currencies that are not focused on profit maximization, but on supporting sustainable development, local economies, and social innovation. This would reduce the systemic dependence of investments on a single indicator of profitability and reduce the procyclicality of investment activity.

Lietaer's critique of the interest-debt system echoes the post-Keynesian analysis of financial instability (Minsky, 1986). Structural money shortages and a focus on growth increase the debt burden and make the financial system more vulnerable to crises. Under such conditions, the investment environment becomes dependent on credit cycles and the monetary policy of central banks.

The introduction of additional currencies and alternative investment channels can increase the stability of the investment environment by distributing risks across different monetary circuits, reducing the systemic

correlation of investment decisions and weakening the effect of "financial contagion" in times of crisis. Unlike the dominant paradigm, which assesses investment performance primarily through financial returns, Lietaer's approach offers an expanded institutional framework that includes social, environmental, and cultural effects, bringing it closer to the concepts of sustainable and impact investing, but at the same time touching on a deeper level – the monetary infrastructure. In the long term, the implementation of such ideas could contribute to a transition from a model of forced growth to a model of structurally sustainable development, in which investment decisions are shaped not exclusively by the logic of interest rates, but by a combination of institutional and social priorities.

At the same time, the practical application of Bernard Lietaer's ideas faces significant institutional constraints due to the global integration of financial markets, the dominance of fiat currencies, and the high dependence of investment activity on the monetary policy of central banks. In the context of financial globalization, a radical transformation of the monetary architecture is difficult, but empirical experience shows that elements of Lietaer's model can be implemented as complementary institutional contours that supplement the existing investment environment and allow investment incentives to be adjusted without dismantling the basic financial infrastructure.

One of the best-known examples is the WIR supplementary currency system in Switzerland, which operates in parallel with the national currency and is geared towards supporting small and medium-sized businesses. The use of WIR helps to stabilize investment activity during economic downturns, reducing the dependence of enterprises on traditional bank lending and thus complementing rather than replacing the existing monetary system (Stodder, 2009; Lietaer, 2001).

Sustainable financial instruments, primarily the green and social bond market, perform a similar complementary function. These instruments demonstrate that investments focused on environmental and social goals can function effectively within the interest-debt system, while expanding the criteria for investment efficiency through long-term non-financial effects. This creates an institutional space for investments that focus not only on short-term returns, but also on sustainable development (Flammer, 2021).

Cooperative and mutual financial institutions, including cooperative banks and credit unions, serve as additional examples. Within these institutional forms, investment decisions are more focused on long-term sustainability and community interests, which partially reduces the pressure for short-term financial returns and shifts the emphasis towards supporting the real economy (Birchall, 2013; North, 1990).

Contemporary forms of sustainable, socially responsible, and impact investing can also be seen as an

institutional response to the limitations of the interest-debt model. The ESG and sustainable development economy seeks to combine investment returns with long-term social and environmental performance, effectively broadening the classical understanding of investment performance.

Prospects and recommendations.

The proposed hypothesis about the possibility of forming a new investment equilibrium based on the transformation of the monetary architecture and institutional environment – can only be realized if a number of structural conditions are met. First of all, in the current financial context, changes in investment behavior cannot be achieved solely through the actions of individual investors or corporate strategies; institutional and systemic prerequisites are necessary to ensure changes in incentives and performance criteria.

Institutional conditions. To implement the hypothesis, changes are needed in the institutional structure of the monetary system, including:

- recognition of multiple monetary circuits and the creation of regulatory conditions for the coexistence of complementary currency regimes (e.g., the WIR system; Stodder, 2009; Lietaer, 2001);
- integration of sustainable finance structures (green and social bond markets; Flammer, 2021) into national and international regulatory standards;
- the creation of legal opportunities for the functioning of cooperative and mutual financial institutions that reduce the dependence of investment decisions on short-term expectations of returns (Birchall, 2013; North, 1990).

If these conditions are met, the investment environment can shift from a logic of forced growth to a logic of institutionally supported sustainability.

Infrastructure conditions. The transformation of investment behavior also requires the creation of a financial infrastructure that reduces transaction costs for long-term and socially oriented investments:

- digitalization of the financial system, including the development of central bank digital currencies and asset tokenization platforms (BIS, 2025);

- creation of municipal and regional investment platforms providing access to capital for local infrastructure projects;

- introducing systems for monitoring non-financial effects, which allows social and environmental outcomes to be taken into account on a par with financial indicators.

Fiscal and monetary conditions. Changing investment incentives is impossible without adjusting the policies of central banks and financial regulators:

- integration of long-term social and environmental indicators into the assessment of monetary policy effectiveness (Liu, 2025; Han, 2025);

- allowing for a reduction in the dominance of short-term interest rates as the sole regulator of investment activity;

- development of tax and credit mechanisms that reduce structural discrimination against long-term projects.

Behavioral and cultural conditions. The hypothesis can be realized if the informational and cultural environment for investment decision-making changes, including:

- recognition of non-financial motives for investment in academic and applied analysis;

- increasing the role of trust, collective obligations, and reputational mechanisms as capital (Martin, 2014; Graeber, 2011);

- the adaptation of financial education programs to include sustainable investment approaches and institutional analysis of money.

Based on an analysis of the conditions for implementing the hypothesis, the following areas for systemic reform can be proposed (Table 4).

Table 4.

Recommendations for economic policy and financial institutions

Area	Recommendation	Expected effect
Regulatory policy	Development of a legal regime for complementary currencies and sustainable financial instruments	Reducing the dependence of investments on short-term returns
Monetary policy	Inclusion of non-financial indicators in monetary strategy performance criteria	Reducing institutional pressure on short-term investments
Fiscal policy	Tax incentives for long-term and ESG projects	Redistribution of capital to the real sector
Financial infrastructure	Support for digital platforms and tokenization of real assets	Reduction of transaction costs for long-term investments
Corporate governance	Introduction of KPIs based on sustainable effects and non-financial results	Balancing the interests of investors, society, and the ecosystem

Source: developed by the authors

Conclusions

The analysis showed that the traditional understanding of investing as a neutral process of capital allocation in a given monetary environment no longer reflects the real complexity of modern economic processes. The nature of investment activity is closely linked to the architecture of the monetary system, the mechanisms of issuance, lending, and interest rates, as well as the level of financialization and the development of financial infrastructure. This requires a revision of classical approaches, in which money is viewed only as a technical medium of exchange.

A historical and theoretical review has shown that the evolution of investment practices has always been linked to the transformation of monetary and financial institutions. From commodity money and government loans to complex capital markets and derivative instruments, investments have served not only as a source of economic growth, but also as a channel for increasing structural risks and concentrating financial power. The current stage, characterized by the growth of the financial sector and the dominance of interest-debt logic, is accompanied by a shift in emphasis towards short-term and highly liquid investments, a decrease in the share of long-term real investments, and increased vulnerability to crises.

Institutional and critical analysis of monetary systems shows that investment behavior cannot be viewed as an exclusively rational choice of individual agents. It is shaped by a combination of formal and informal institutions, from monetary policy and legal regulation to cultural norms and practices of trust. From this perspective, investment appears as an institutionally conditioned process embedded in a specific monetary and financial architecture, rather than a universal mechanism for capital allocation.

The ideas proposed within the framework of alternative monetary concepts, in particular Bernard Lietaer's approach, offer a new perspective on the potential for transforming the investment environment. The examples of complementary currencies, sustainable

financial instruments, cooperative and mutual financial institutions demonstrate that elements of a different monetary logic can already be implemented as a complementary addition to the dominant system. These practices create institutional space for investments focused on long-term sustainability, real sector development, and socially significant effects.

The hypothesis formulated in the article that changing the institutional characteristics of the monetary system can lead to a new investment equilibrium is conceptually confirmed. The transition from a model of forced growth to a model of structurally sustainable development is possible provided that the criteria for investment efficiency include not only financial profitability, but also social, environmental, and cultural outcomes. In this case, investment strategies can become more aligned with the long-term interests of society and the real sector of the economy.

At the same time, the conclusions drawn have a number of limitations. First, the transformation of the monetary architecture in a globally integrated financial system is gradual and fragmented and faces serious institutional barriers. Second, complementary currencies and sustainable financial instruments remain predominantly local or niche solutions. Third, behavioral inertia and the dominance of short-term goals in corporate governance and the financial industry remain significant obstacles.

Prospects for further research are linked to clarifying the mechanisms by which changes in the monetary system are transmitted to the structure of investment decisions, developing models that allow for a quantitative assessment of the impact of alternative monetary instruments on the dynamics of real investment, and analyzing institutional scenarios for integrating sustainable finance into the main architecture of global markets. It is also important to deepen the interdisciplinary dialogue between economic theory, financial practice, and social sciences in order to form a more comprehensive view of the future of investment in the context of a transforming monetary logic.

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