

INVESTMENT POLICY UNDER CRISIS: NATIONAL CAPITAL AND BEHAVIORAL FACTORS IN MOLDOVA

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Abstract: Recent crises – the COVID-19 pandemic, energy shocks, and geopolitical tensions, have reshaped investment policy, especially in small open economies. This paper analyzes the Republic of Moldova's vulnerabilities and adaptive responses through a systematic literature review, integrating classical, institutional, behavioral, and sustainability-oriented perspectives. Findings show that fiscal incentives and financial-credit mechanisms, while necessary, remain ineffective without credible institutions. National and foreign capital act as complements: diaspora remittances and SME reinvestments provide stability during crises, while FDI brings technology and global market access. Behavioral determinants – loss aversion, uncertainty shocks, and institutional trust – also play a decisive role in shaping investment outcomes. Comparative insights from Romania, the Baltic states, and Eastern Partnership countries highlight that resilience depends on blending domestic capital ecosystems with credible reforms and alignment to EU integration. The study offers a multidimensional framework for rethinking investment policy in turbulent contexts.

Key words: investment policy; COVID-19 pandemic; economic recovery; fiscal stimulus; public health integration

JEL Classification: E62; I18; G01; H12; F52

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