Editorial

Design and Capital: Editorial Introduction

In the twenty-first century, few forces shape our social, physical, and economic worlds as profoundly as institutional capital. Pension funds, sovereign wealth funds, insurers, and endowments collectively steward well over one hundred trillion dollars. Their investment decisions influence not only markets, but also the infrastructures, technologies, labor systems, and ecological conditions that underpin everyday life.

And yet, the ways these decisions are structured remain remarkably invisible. If capital allocation is one of the primary forces shaping the world today, who is designing these decisions?

Institutional investment is now entering a period in which its central challenge has shifted. For large asset owners, success increasingly depends on the ability to remain adaptive under uncertainty. Climate transition, geopolitical fragmentation, demographic change, and technological disruption interact across sectors in ways that cannot be cleanly isolated or neatly forecast.

In response, many investors are beginning to adopt what is commonly described as a Total Portfolio Approach. In simple terms, this means shifting attention from individual investments to how the portfolio behaves as a whole. It asks how risks and opportunities interact across categories, and how decisions made today shape what becomes possible tomorrow.

What kind of capability is required for that task?

Design has long operated in the context of production, shaping products and industrial systems, and in the context of use, shaping services, interfaces, and experiences. A third context now comes into focus: investment.

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http://www.journals.elsevier.com/she-ji-the-journal-of-design-economics-and-innovation
https://doi.org/10.1016/j.sheji.2026.06.001

In this context, design engages the structures that determine how resources are directed over time, and which futures are made possible.

Asset classes, benchmarks, investment beliefs, and governance processes are all products of prior design work, even if they are rarely named as such. They organize our attention, shape our expectations, and enable coordination across time and expertise.

Here is the moment for design and capital. As investment practice moves toward whole-of-fund thinking, these designed structures begin to matter more than any single transaction.

This special issue brings that reality into view. It starts from the observation that capital allocation is already shaped by design decisions, whether acknowledged or not. The practical question that follows is demanding: *How can design capabilities help institutional investors structure choice in ways that remain legitimate, accountable, and adaptive under deep uncertainty?*

A finance journal might ask whether these approaches improve returns. A design journal can ask how the architectures of decision-making themselves come into being, and how they might be reconfigured when existing forms no longer hold. *She Ji* provides exactly that space: where design engages economics, governance, and institutional power without reducing itself to method or style.

The articles collected here explore this territory from multiple angles. Rather than advancing a single framework, the issue maps a shared problem space at the intersection of design, finance, and governance.

Overview of This Special Issue

The seven contributions are organized around three interlocking themes: the conceptual foundations of capital design, the organizational conditions that enable or obstruct it, and its extension into public and inter-institutional systems.

The first theme concerns the nature of the investment categories through which capital is allocated. In "Capital Design: Asset Classes as Design Objects," we argue that asset classes are not neutral containers but designed artifacts, and that treating them as designable opens a legitimate path for fiduciaries to align portfolios with structural transitions. Ben Van Vliet's "Shared Conceptions in Capital Design: Co-creation and Co-evolution in Asset Allocation" extends this argument by distinguishing epistemic uncertainty from the statistical risk that financial models are built to handle, and by developing a Triple Diamond architecture that operationalizes capital design as an ongoing process of shared inquiry rather than periodic optimization.

The second theme concerns what system-level thinking requires of investors and institutions. Jon Lukomnik and William Burckart's "Confronting Complexity: A Design Guide for System-Level Investors" argues that investment design has for decades elevated the form of benchmark-relative optimization over its actual function, and offers a taxonomy of tools for investors who want to strengthen the systems that underpin long-term returns. Jaap van Dam's "A Large Pension Fund Embracing the Systems Perspective: An Investment Case Study on PFZW and PGGM's

Journey" documents from the inside how PFZW used a blank-sheet design process to rebuild its investment belief framework after the Global Financial Crisis, and reflects a decade later on which commitments endured. Ashby Monk, Dane Rook, and Rajiv Sharma's "The Asset Owner Gearbox" asks why innovation so often stalls inside institutions, identifying the governance and implementation structures that lock operating models in place and showing what distinguishes the asset owners that achieve durable change.

The third theme extends the argument to public systems and the organizational boundaries where design and capital logics meet. Rowan Conway's "What Role Can Design Play in Enabling Missions to Emerge as an Alternative Investment Logic in Public Innovation Systems?" positions missions as an alternative investment logic for public innovation systems, showing how design can reshape institutions' perceptions of risk, directionality, and value creation. David Dunne, Chris Ferguson, and Paolo Korre's "Redesigning Value: How Designers and Managers Can Work Together for a Better World" maps six organizational double binds that simultaneously support and obstruct design in management contexts, offering a diagnostic framework for understanding why design capabilities are so often absorbed into existing institutional frames rather than transforming them.

Read together, the contributions move from the building blocks of capital design through the institutional conditions that make it possible, toward the governance questions that will determine whether it can be sustained.

Readers may approach this issue from different positions. Investors may recognize familiar constraints and find new ways to reconstitute the building blocks of which portfolios are constructed. Designers may encounter a domain where their capabilities operate at an institutional scale and over extended time horizons. Educators may see the outline of a new area of training, where design and finance intersect in practice. This collection is designed to reward all three.

Capital will continue to shape the twenty-first century. Design has a role in shaping how that happens.

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