

[Download This Paper \(Delivery.cfm/SSRN_ID1300288_code922299.pdf?abstractid=1300288&mirid=1\)](https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID1300288_code922299.pdf?abstractid=1300288&mirid=1)[Open PDF in Browser \(Delivery.cfm/SSRN_ID1300288_code922299.pdf?abstractid=1300288&mirid=1&type=2\)](https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID1300288_code922299.pdf?abstractid=1300288&mirid=1&type=2)[Add Paper to My Library](#)Share: [!\[\]\(56549452e01ca28bdf2500ced9653143_img.jpg\)](#) [!\[\]\(235f8f87c36d896db1ddff2848125c86_img.jpg\)](#) [!\[\]\(4c4afa2dcab95991c60f31fce713d641_img.jpg\)](#) [!\[\]\(1205f6f8a2eee5164f325ab7908828d5_img.jpg\)](#)

Sovereign Development Funds: Key Financial Actors in the Shifting Wealth of Nations

OECD Emerging Markets Network Working Paper

23 Pages

Posted: 14 Nov 2008

Javier Santiso (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=922299)

ESADE Business School

Date Written: Octobre 12, 2008

Abstract

The emergence of Sovereign Wealth Funds (SWF) has signaled a major reshaping of the world's economy: financial actors from developing countries playing on an equal footing with the financial giants of OECD countries. Rising financial centers such as Singapore, Dubai or Shanghai have nurtured leading financial institutional and asset managers independent of the traditional Western financial centers of New York, Boston or London.

Beyond this spectacular emergence also lies promising news for the wealth of (developing) nations. Sovereign wealth funds may grow to become major actors of development finance: Sovereign Development Funds. Should SWFs allocate 10% of their portfolio to other emerging and developing economies over the next decade, this could generate inflows of USD\$1400 billion: a yearly amount higher than all OECD countries development aid put together.

The international investment of sovereign funds is already increasing. If domestically, some sovereign wealth funds tend to behave as development finance institutions, working to boost economic diversification or build strong national champions, in their international investment strategies their behavior resembles traditional investment funds, seeking performance and solid returns.

This article will first discuss the emergence of these institutions (which are not totally new) and follow by assessing their potential impact in other emerging markets. We conclude by arguing that sovereign funds, because of their origins (emerging economies for most of them) and their potential (or already effective) re-positioning towards emerging markets could usefully be considered as Sovereign Development Funds (SDF).

Keywords: sovereign wealth fund, diversification, emerging markets**JEL Classification:** F30, O16, P16[Suggested Citation](#) >[Show Contact Information](#) >[Download This Paper \(Delivery.cfm/SSRN_ID1300288_code922299.pdf?abstractid=1300288&mirid=1\)](https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID1300288_code922299.pdf?abstractid=1300288&mirid=1)[Open PDF in Browser \(Delivery.cfm/SSRN_ID1300288_code922299.pdf?abstractid=1300288&mirid=1&type=2\)](https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID1300288_code922299.pdf?abstractid=1300288&mirid=1&type=2)

48 References

1. J Aizeman
Large hoarding of international reserves and the emerging global economic architecture
NBER Working Paper Posted: 2007
Crossref (<https://doi.org/10.3386/w13277>)
2. Rolando Avendano (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=521543) , Helmut Reisen
(https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=58948) , Javier Santiso (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=922299)
The Making of the Management of Commodity Boom: Africa and Latin America's Response to Asian Demand (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1298926)
We use cookies to improve our website content and your digital experience. For more information, see our [Cookie Policy](https://www.elsevier.com/legal/cookiepolicy) (<https://www.elsevier.com/legal/cookiepolicy>)
OECD Working Paper No. 270 Pages: 40 Posted: 10 Nov 2008 Last revised: 12 Dec 2014

[Download PDF \(https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID1316872_code922299.pdf?abstractid=1298926\)](https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID1316872_code922299.pdf?abstractid=1298926)[★ Add Paper to My Library](#)[Cookie Settings](#)[Accept all cookies](#)

4. R Beck , M Fidora
- The impact of sovereign wealth funds on global financial markets
- European Central Bank, Occasional Papers, 91 Posted: 2008-07
- Crossref (<https://doi.org/10.1007/s10272-008-0268-5>)

Load more

0 Citations

Fetch Citations



Do you have a job opening that you would like to promote on SSRN?

Place Job Opening (<https://www.ssrn.com/index.cfm/en/Announcements-Jobs/>)

Paper statistics

DOWNLOADS	889
ABSTRACT VIEWS	3,922
RANK	51,704

11 Citations

48 References

PlumX Metrics



https://plu.mx/ssrn/a/?ssrn_id=1300288

Related eJournals

Banking & Insurance eJournal (https://papers.ssrn.com/sol3/JELJOUR_Results.cfm?form_name=journalBrowse&journal_id=1492282)

Follow



International Finance eJournal (https://papers.ssrn.com/sol3/JELJOUR_Results.cfm?form_name=journalBrowse&journal_id=1508744)

Follow



View more >

Recommended Papers

The Impact of Sovereign Wealth Funds on Global Financial Markets (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1144482&rec=1&srcabs=1300288&pos=1)
By Roland Beck (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=597822) and Michael Fidora (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=491968)

Sovereign Wealth Funds: Their Investment Strategies and Performance (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1308030&rec=1&srcabs=1300288&pos=2)
By Vidhi Chhaochharia (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=379737) and Luc Laeven (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=261593)

By Kathryn L. Dewenter (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=17150), Xi Han (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=1189907), ...

[view more >](#)Feedback

Submit a Paper > (<https://hq.ssrn.com/submission.cfm>)

SSRN Quick Links

SSRN Rankings

About SSRN

f (<https://www.facebook.com/SSRNcommunity/>)

in (<https://www.linkedin.com/company/493409?>

| trk=tyah&trkInfo=clickedVertical%3Acompany%2CentityType%3AentityHistoryName%2CclickedEntityId%3Acompany_493409%2Cidx%3A | |

🐦 (<https://twitter.com/SSRN>)

<http://www.elsevier.com/>

Copyright (<https://www.ssrn.com/index.cfm/en/dmca-notice-policy/>)

Terms and Conditions (<https://www.ssrn.com/index.cfm/en/terms-of-use/>)

Privacy Policy (<https://www.elsevier.com/legal/privacy-policy>)

All content on this site: Copyright © 2023 Elsevier Inc., its licensors, and contributors. All rights are reserved, including those for text and data mining, AI training, and similar technologies. For all open access content, the Creative Commons licensing terms apply.

We use cookies to help provide and enhance our service and tailor content.

To learn more, visit [Cookie Settings](#).

<http://www.relx.com/>)

<https://papers.ssrn.com/sol3/updateInformationLog.cfm?process=true>)