

Abstract

Motivated by the dominant role of cross-country heterogeneity in private saving in the creation of Eurozone imbalances over the past decade, we empirically investigate the determinants of private saving for a sample of 30 OECD countries over the period 1990-2010. In addition to standard macroeconomic variables, we include three country-specific cultural indicators, derived from the World and European Value Surveys. We find these three variables - thrift, trust and religiosity - to significantly contribute to the explanation of cross country saving heterogeneity both for the OECD group at large and for the Eurozone countries separately.