The North-South Institute
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Research for a fairer world

Recherche pour un monde plus juste

Enhancing Domestic Resource Mobilization in sub-Saharan Africa

Wilton Park, UK, 27 April 2010

Roy Culpeper, The North-South Institute

DRM, Growth, and Development

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High-growth economies typically set aside a formidable share of their income: a national saving rate of 20–25 percent or higher, is not unusual. In principle, countries could rely more on foreign capital to finance their investment needs. But capital inflows over the past several decades have a mixed record. Our view is that foreign saving is an imperfect substitute for domestic saving, including public saving, to finance the investment a booming economy requires. Commission on Growth and Development (2008)

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Investment and Savings

(percent of GDP)

Developing Asia:	1993-2002	2003-2008
Savings	**32.8**	**42.4**
Investment	**32.6**	**37.7**
Sub-Saharan Africa:		
Savings	**15.3**	**20.5**
Investment	**17.9**	**20.8**