



Institute of Local Public Finance

Working Paper 02-2014

October 2014

The Middle income trap: old wives' tale or real danger? Some results from Malaysia, Mexico and Venezuela

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The Middle-income trap: old wives' tale or a real danger? - Some results from Malaysia, Mexico and Venezuela

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Abstract

The following paper deals with the increasingly common discussions surrounding the phenomenon now frequently being observed of a stalling growth of the income per capita in countries classified by the World Bank as “middle-income countries”, which often fail to sustain significant growth over a number of years to achieve the next level of income. This phenomenon is called the “middle-income trap”. Using the examples of Malaysia, Mexico and Venezuela, four different approaches from authors offering definitions and reasons for the middle income trap will be presented and their theories reviewed in relation to the profiles of the above mentioned countries.

JEL Classification: 01, F63 and Z18

Keywords: Middle Income Trap, Malaysia, Mexico, Venezuela

The working paper 02-2014 was published as van Eeden, Kevin and Werner, Jan (2015): The Middle income trap: old wives' tale or real danger? Some results from Malaysia, Mexico and Venezuela in Sucky et al (2015) Mobility in Globalised World 2014, Logistik & Supply Chain Management Issue 12, Bamberg, Germany, University of Bamberg Press, page 85-92