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

Kevin van Eeden and Jan Werner

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

Kevin van Eeden
BITS Iserlohn, University of Applied Sciences, Reiterweg 26b, 58636 Iserlohn, Germany, kevin.vaneeden@bits-iserlohn.de

Jan Werner
Professor of Economics at the BITS Iserlohn, University of Applied Sciences, Reiterweg 26b, 58636 Iserlohn and Lead Economist at the Institute of Local Public Finance, Schumanstraße 29, 63225 Langen, Germany, jan.werner@ilpf.de

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.

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