

ABSTRACT

This research analyzes the role of education, health, dependency ratio, mean growth in five years later, and relative TFPG to middle income countries' probability stuck in middle income trap. Trapped countries have three characteristics. First, their growth is slowdown, relative TFPG of United States is low, and range of time a country to stuck in middle income class. Middle income trap is defined as a trap of middle income countries. They are hard to advance the income per capita. Using data 45 middle income countries on 2012 and analyze by probit model to investigate the probability of middle income countries be trapped in middle income trap. Maximum likelihood is employed to estimate the model. The result show that there are differences of countries which are trapped and not/not yet trapped. Although, that diffrences show that the good level of mean years of schooling, life expectancy, and the lower level of dependency ratio are not guarantee middle income countries can through middle income trap. We also find that relative TFPG has empirically influent probability to stuck in middle income trap.

Keywords: middle income trap, human capital, middle income countries, probability, probit.