

Economic growth is not a sufficient condition for improving mass living standards for several reasons. Governments in developing countries may use national income to expand their armies or build complex capital complexes in deserts and forests. – First: governments work to promote economic growth not only to improve the welfare of their citizens, but sometimes to increase the strength and glory of the state and its rulers. – Second: resources may be heavily invested in more growth, with large consumption gains deferred to a later date.