

# ***The AAA Index: A Simple Yet Comprehensive Guide to Human Flourishing***

John D. Mueller  
([https://eppc.org/author/john\\_mueller/](https://eppc.org/author/john_mueller/))

*17<sup>th</sup> Annual Doctoral Conference  
Doctoral School of Economics, Business and Informatics  
Corvinus University Budapest, 19 November 2021*

**"Groundbreaking." —Washington Examiner**

Economics is primed for a revolution. But to make the leap forward, John D. Mueller shows in this acclaimed book, will require rediscovering the most important element of economic theory—one that has been ignored for more than two centuries.

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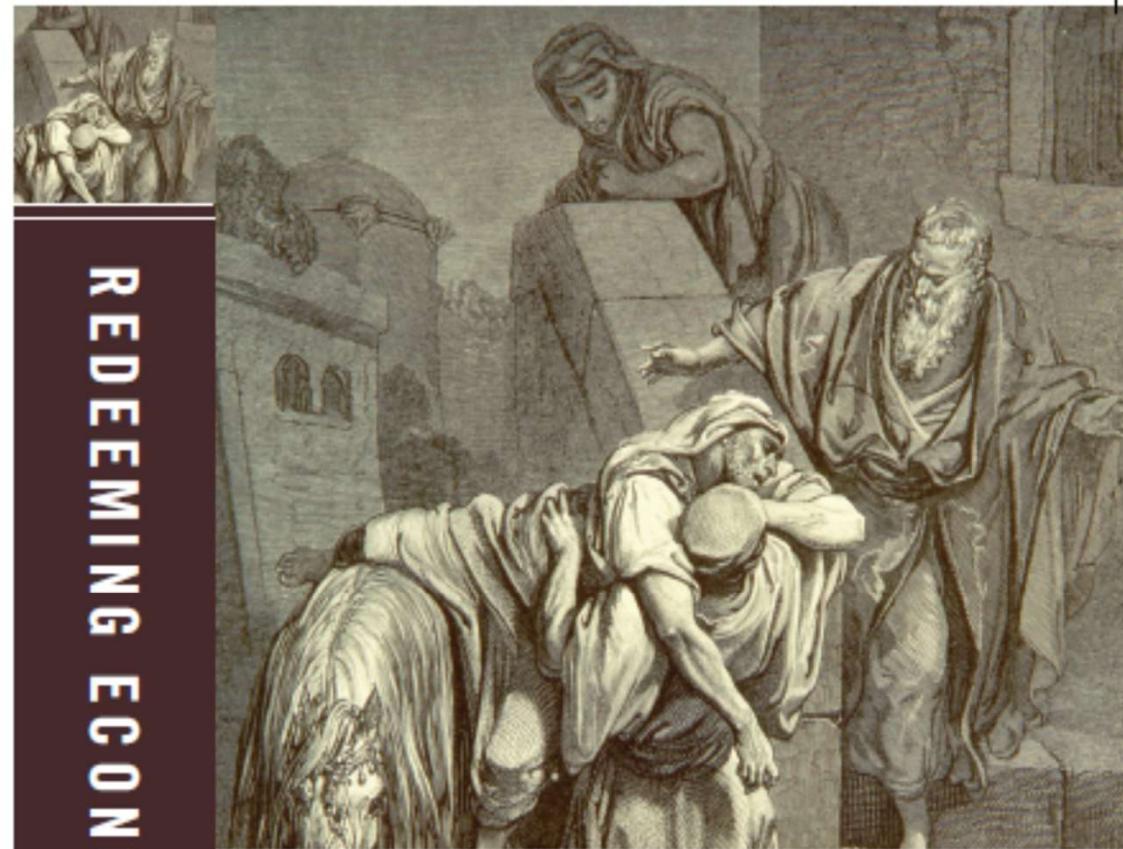
"It's hard to imagine a more important contribution to economic science." —JEFFREY BELL, policy director for the American Principles Project

"A great contribution and service to economic science. A must read for all of us." —MARIA SOPHIA AGUIRRE, professor of economics, Catholic University

**JOHN D. MUELLER** is director of the Economics and Ethics Program at the Ethics and Public Policy Center and president of LBMC LLC, a firm specializing in economic and financial-market forecasting and economic policy analysis.



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## REDEEMING ECONOMICS

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*Rediscovering the Missing Element*

MUELLER

JOHN D. MUELLER

*"Both Washington and Wall Street sorely need  
Redeeming Economics."* —LARRY KUDLOW

**John D. Mueller**

John D. Mueller a washingtoni Ethics and Public Policy Center közgazdasági programjának vezetője, A közgazdaságtan megváltása (eredeti címe: *Redeeming Economics: Rediscovering the Missing Element*, ISI Books, 2010; átdolgozott kiadása: 2014) című könyv szerzője. 26 évig, 2015. januári visszavonulásáig a washingtoni LBMC LLC gazdasági, pénz- és tőkepiaci előrejelzésekkel foglalkozó tanácsadó cége vezető közgazdásza és elnöke. John D. Mueller 1979 óta amerikai és nemzetközi gazdasági döntéshozók tanácsadója monetáris, adózási, jóléti és társadalombiztosítási kérdésekben. Jack Kemp képviselő kongresszusi hivatalának közgazdásza

Ronald Reagan két elnöki mandátuma idején és azt megelőzően (1979–1988 között), nagyrészt a Republikánus Párt Kemp által elnökölött kongresszusi döntés-előkészítő testületének közgazdasági titkáraként. A Lehrman Institute vezető kutatója, a Princeton Egyetem James Madison Társaságának a tagja, a Jack Kemp Alapítvány és az Intercollegiate Studies Institute kutatója.

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megváltása**  
A hiányzó elem újrafelfedezése

John D. Mueller

# REDIMINDO A ECONOMIA

Redescobrindo o elemento perdido



# INDICATORS

## The AAA\* Index (AAAI): a simple yet comprehensive national index of human flourishing



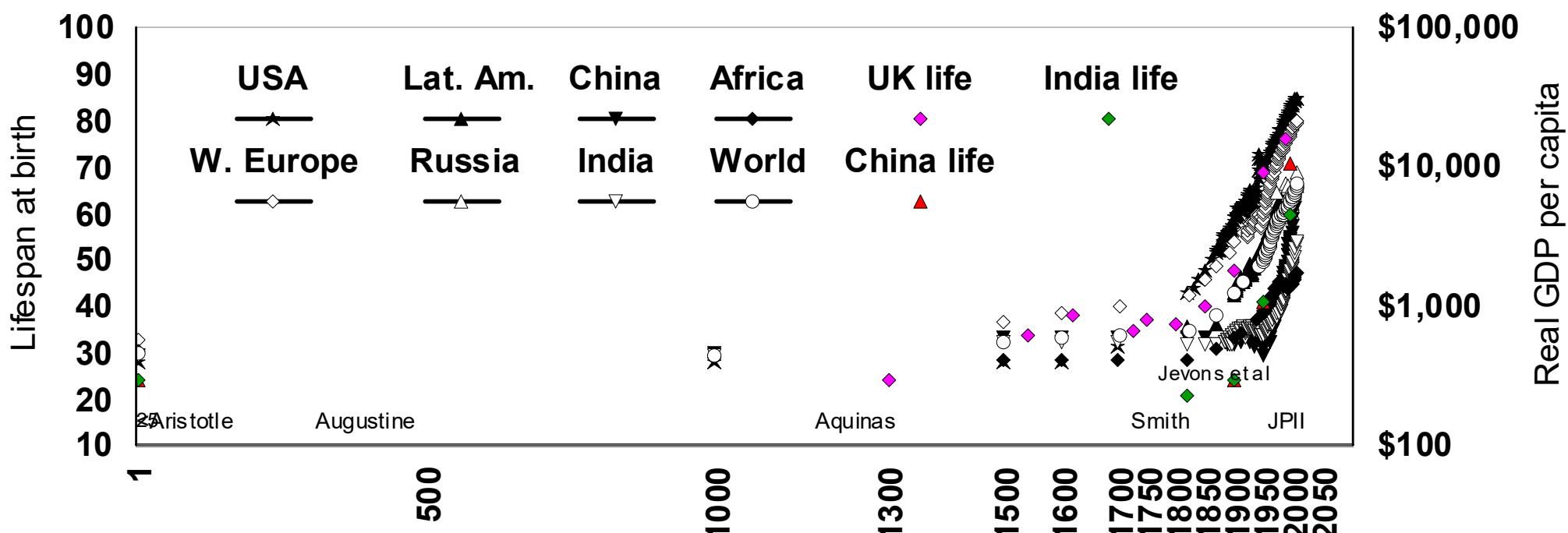
-- <http://socialfuturing.com>; <http://www.eppc.org>

\*Aristotle & Augustine, combined by Aquinas (in *De Regno*), updated for the 21<sup>st</sup> century

Human Quality/Social Unit					
Rational	Domestic			Religious	Political
(1) Individual	(2) Marriage	(3) Business	(4) Non-profit	(5) Church	(6-9) Government
% Adult tertiary education (ter: Barro-Lee data)	(Marital) net reproduction rate (mnrr: UN, World Bank)	net monetary reserves/GNI (netrespct: IMF, Wld Bk)	Civil society participation rate, % (civil: IDEA)	Rate of weekly worship, % (ww: World Values Survey, ANES)	(6) Voter turnout in national elections, % (vote: IDEA from national sources)
^ Sources of economic strength ^				^ Signs of social health ^	
<i>Animal:</i>					(7) Population with improved water % (h2o: UN Aquastat)
<i>Water</i>					
<i>Food</i>				Indices of > sustainable self-sufficiency >	(8) Food security %: (food:= 1 - (food imports / merchandise exports) : UN FAO)
<i>Energy</i>					(9) Energy independence % (nrg: US DoE; memo: renwbl)
Formula: aaaim = ter * mnrr * netrespct * [(civil + vote + ww)/3] * [(h2o+ food + nrg)/3]; $mnrr = nrr * iw$ (% births in wedlock"); when unavailable, <i>iw</i> must be omitted from <i>aaai</i> .					

# Lifespan, Real GDP per Capita & Economic Thinkers

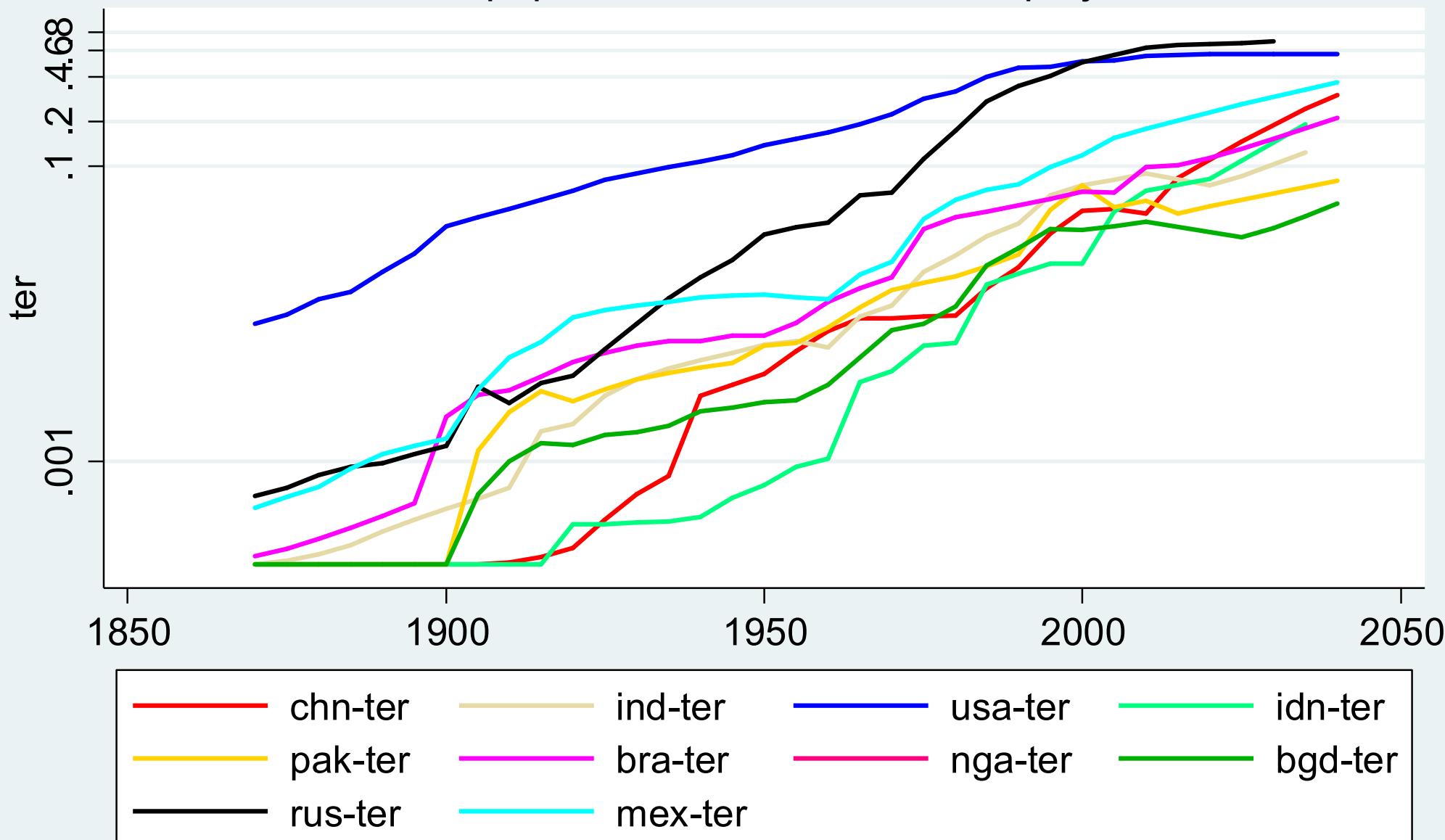
US, Russia, Lat. Am., W. Europe, China, India, Africa, World



Source: Maddison Project, Fogel 2004

# Share of adults with tertiary education

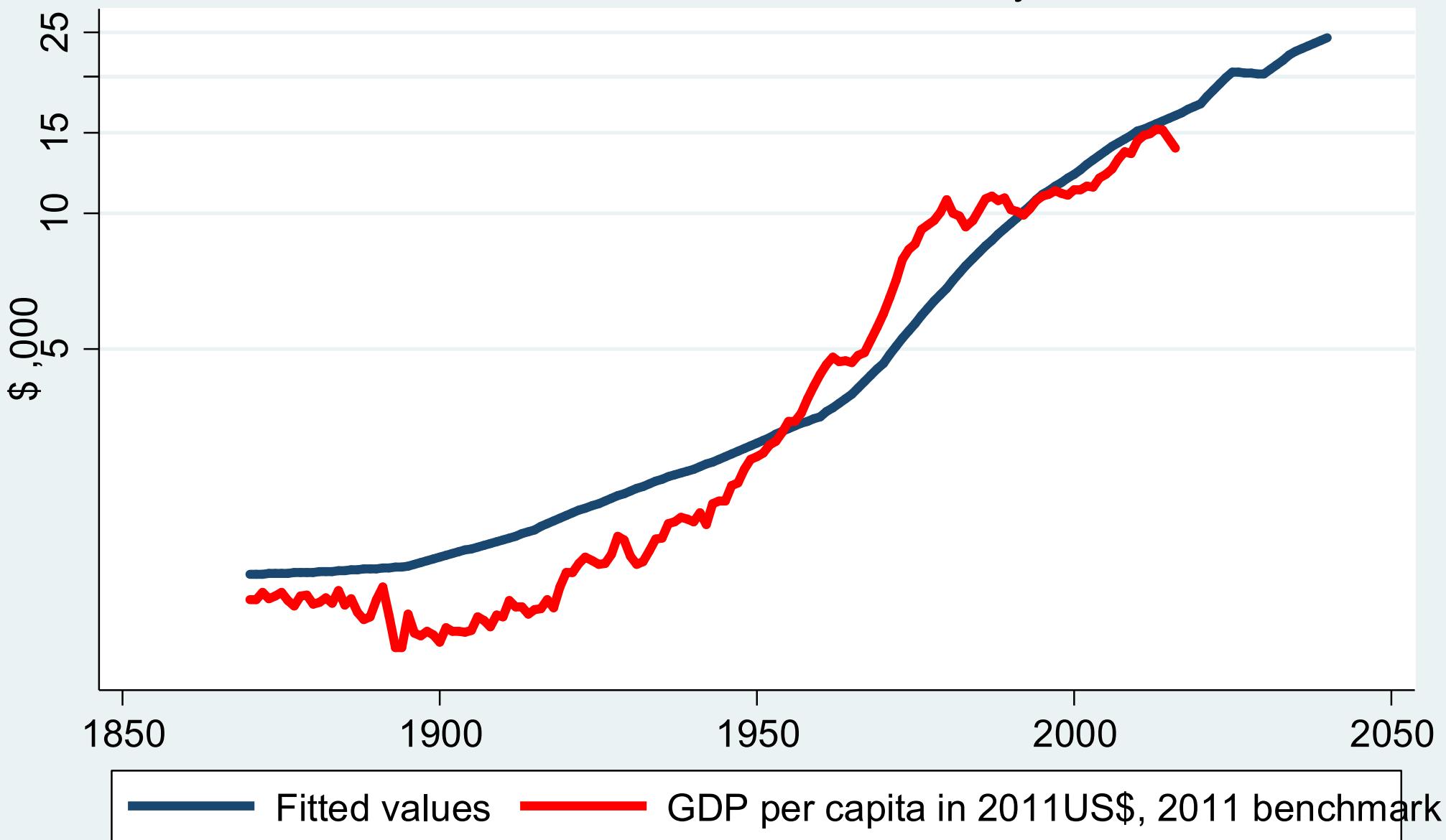
## 10 most populous countries, actual & projected



Source: Barro-Lee database

# Brazil's Actual & Potential Real GDP per capita

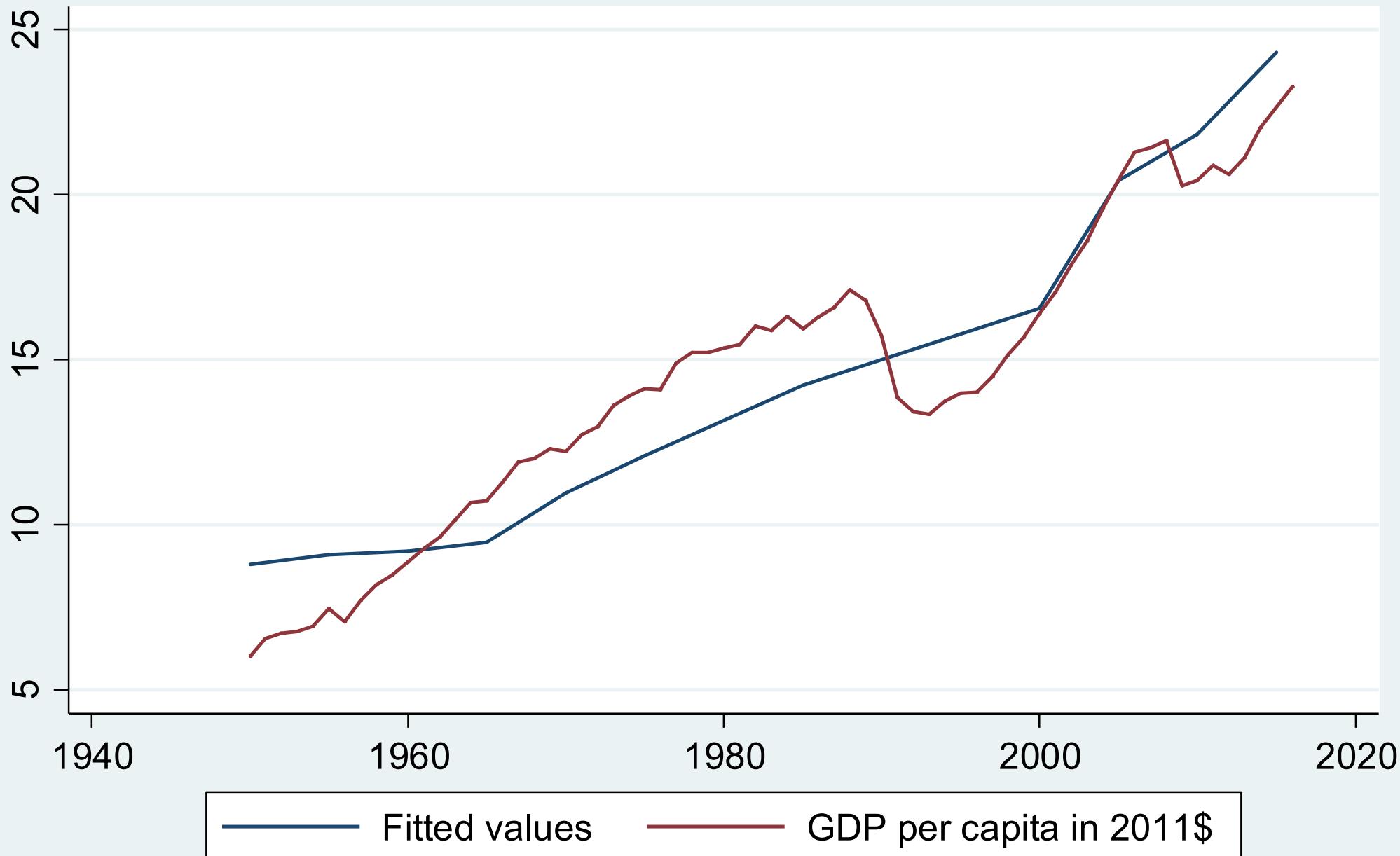
Potential GDP estimate based on tertiary education



Tertiary education: Barro-Lee database

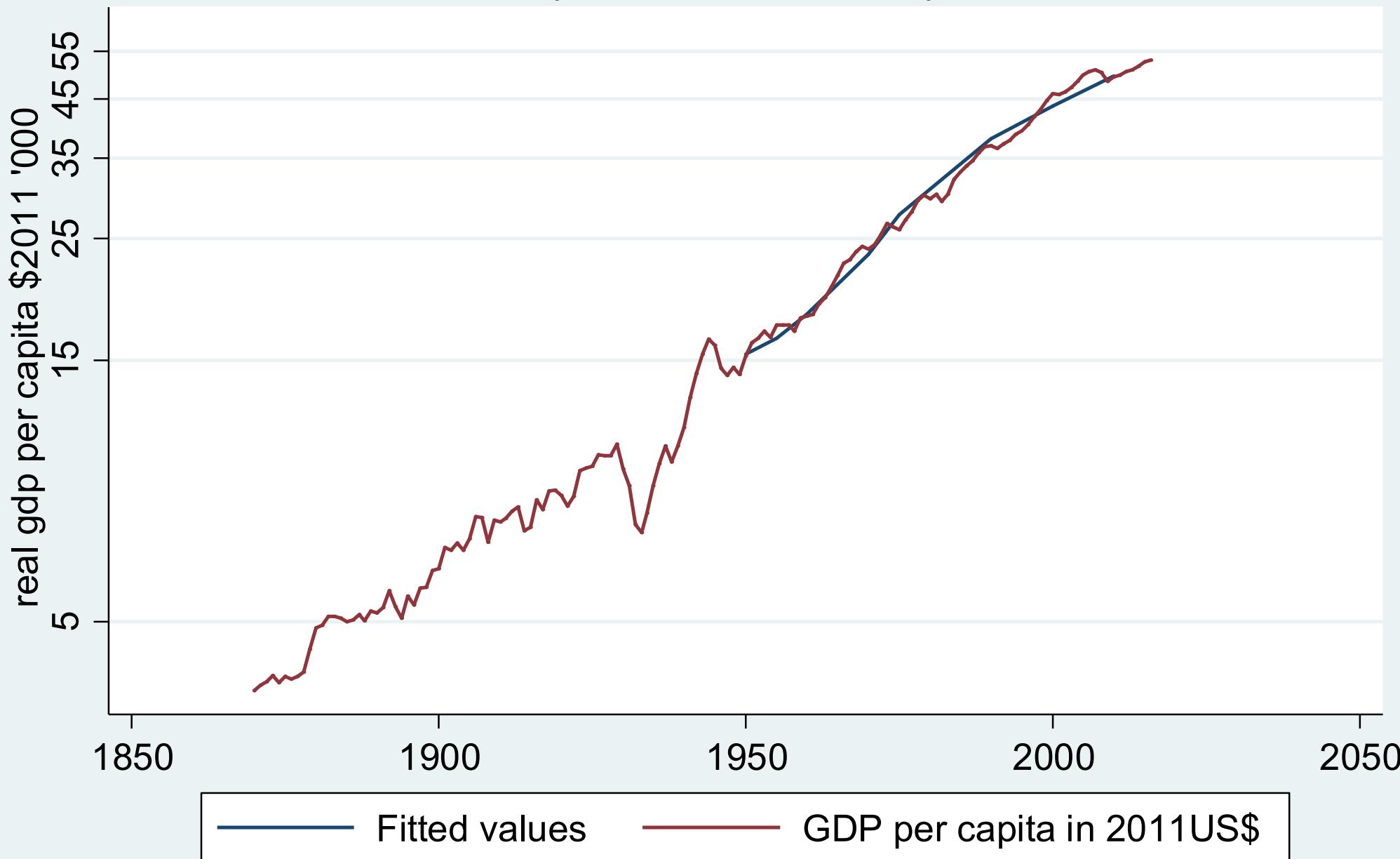
# Hungary's actual & predicted real potential GDP

prediction based on adult tertiary education



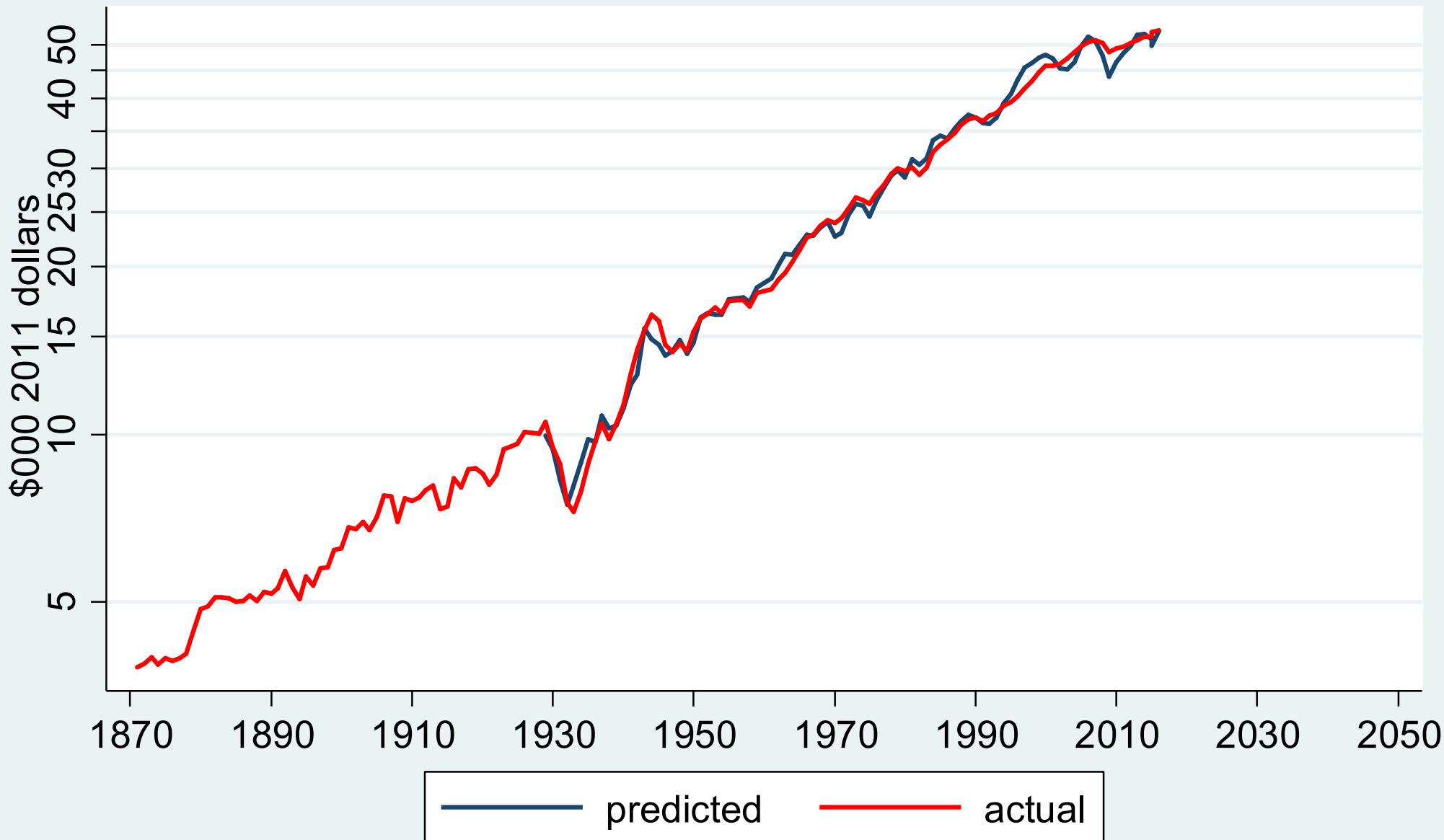
# US Real GDP per capita

predicted by population & tertiary education



# US real GDP per capita, predicted v actual

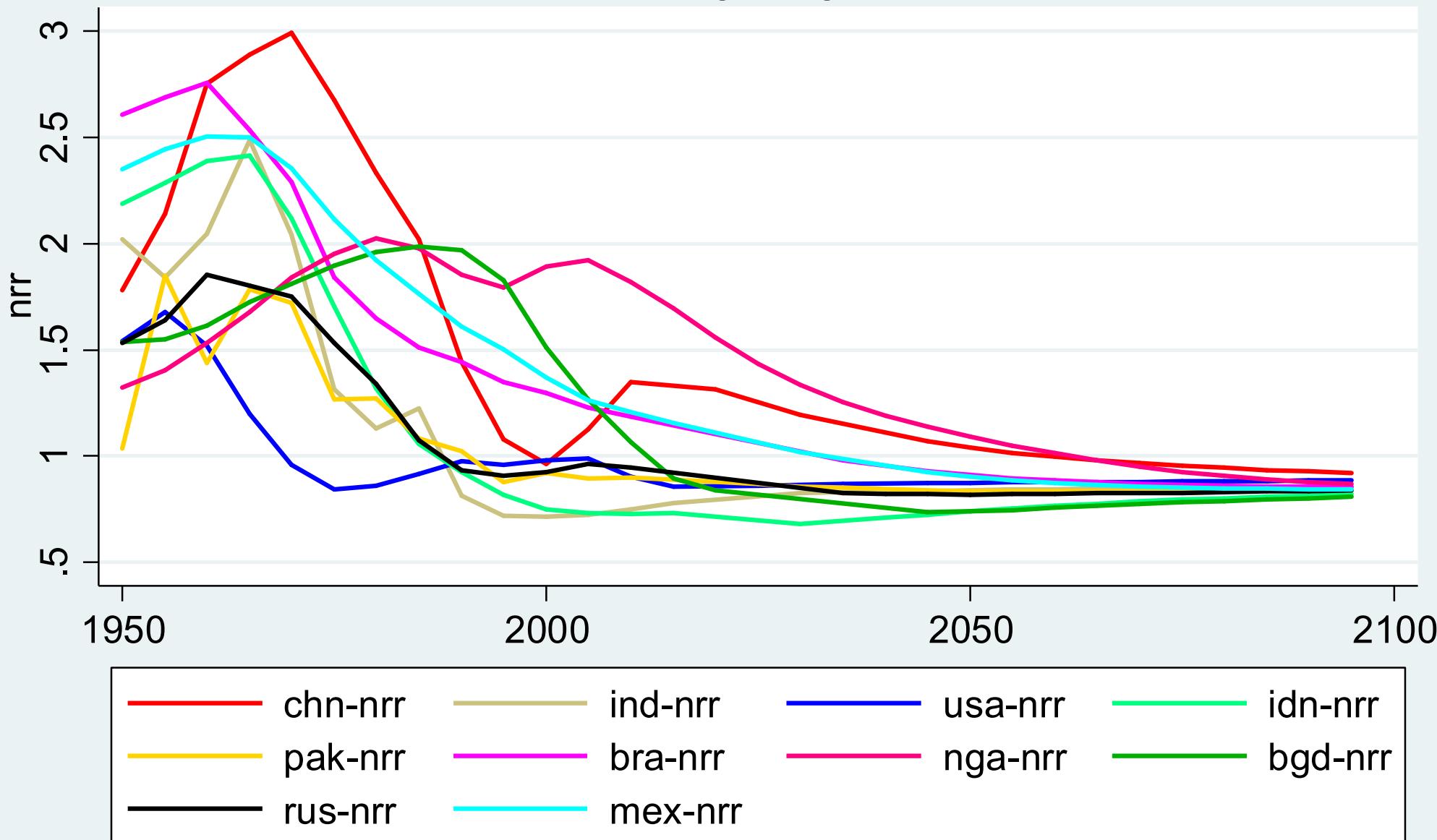
Prediction based on population, tertiary education & net unit labor costs



Source: Maddison and Barro-Lee databases

# Net reproduction rate: 10 most populous countries

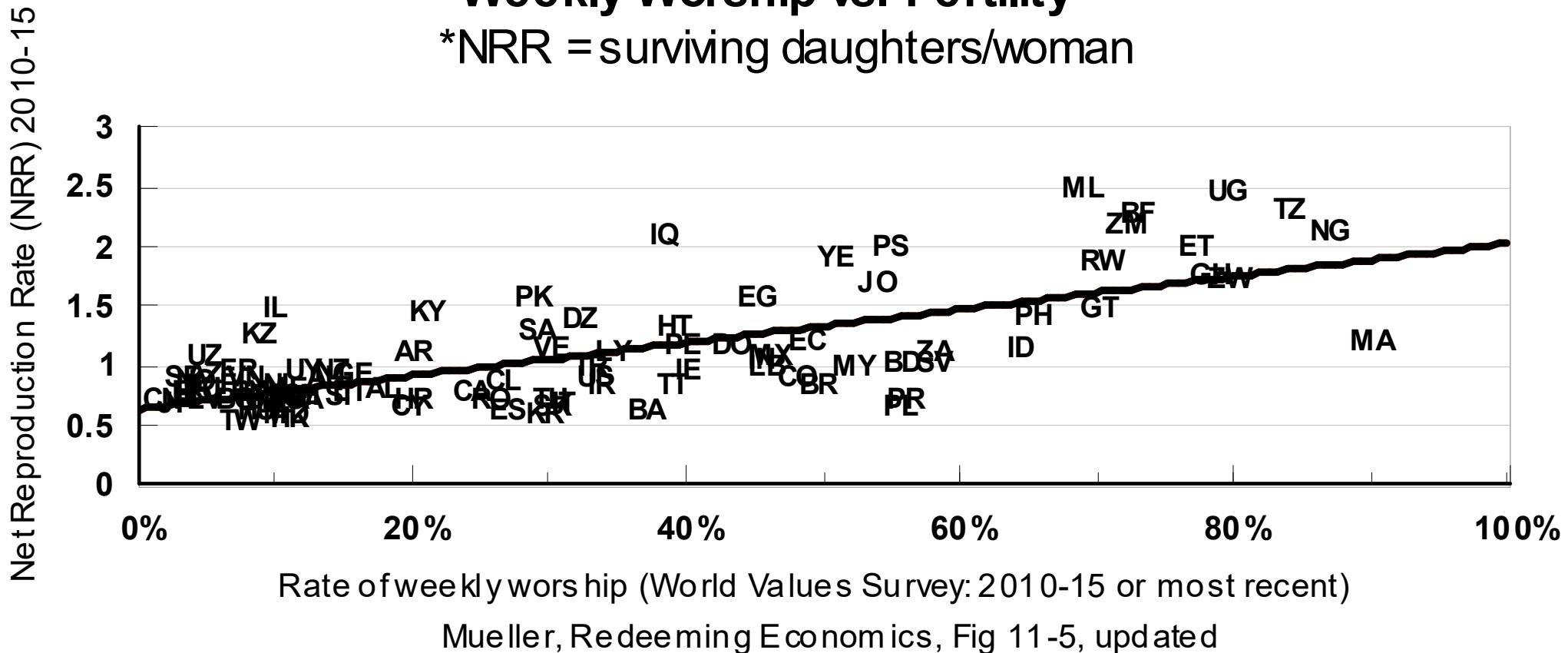
NRR = surviving daughters/woman



Source: UN population division

## Weekly Worship vs. Fertility\*

\*NRR = surviving daughters/woman

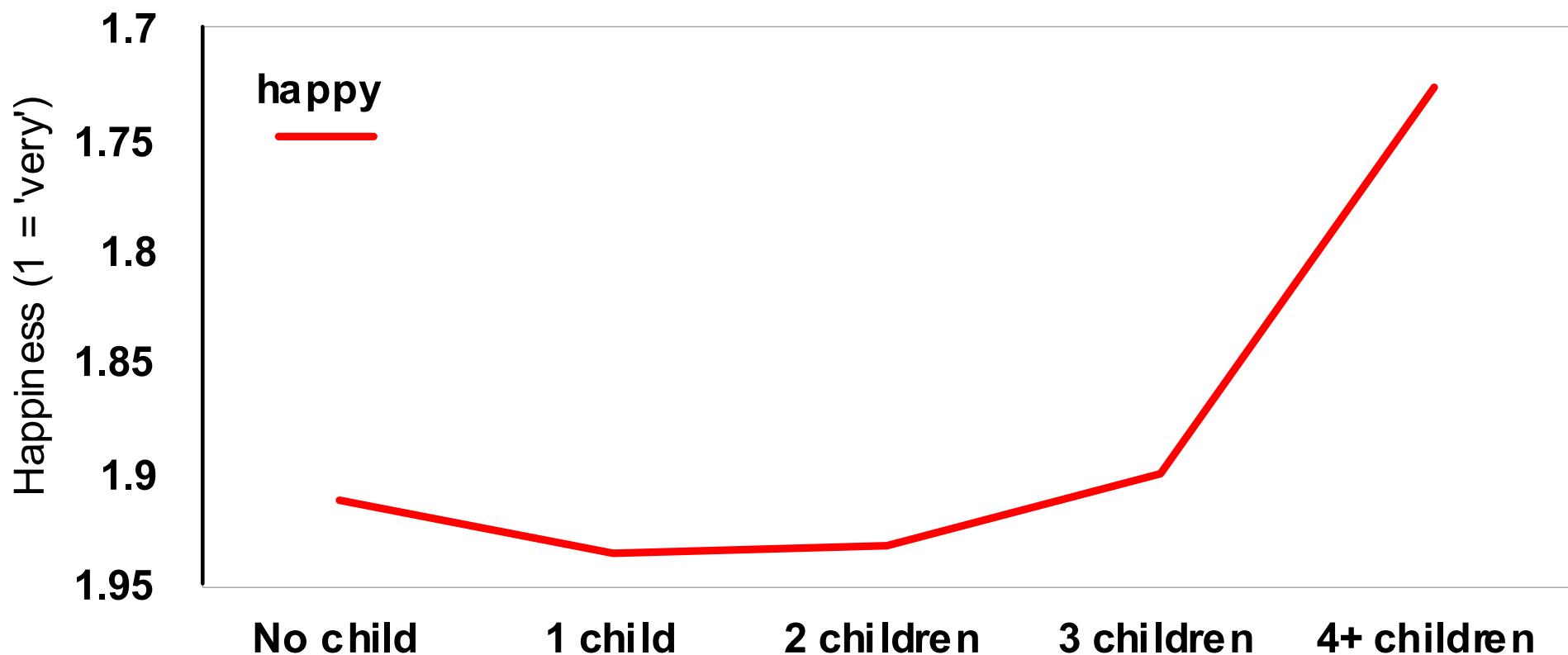


R-square = 0.494 # pts = 93

y = 0.641 + 1.39x

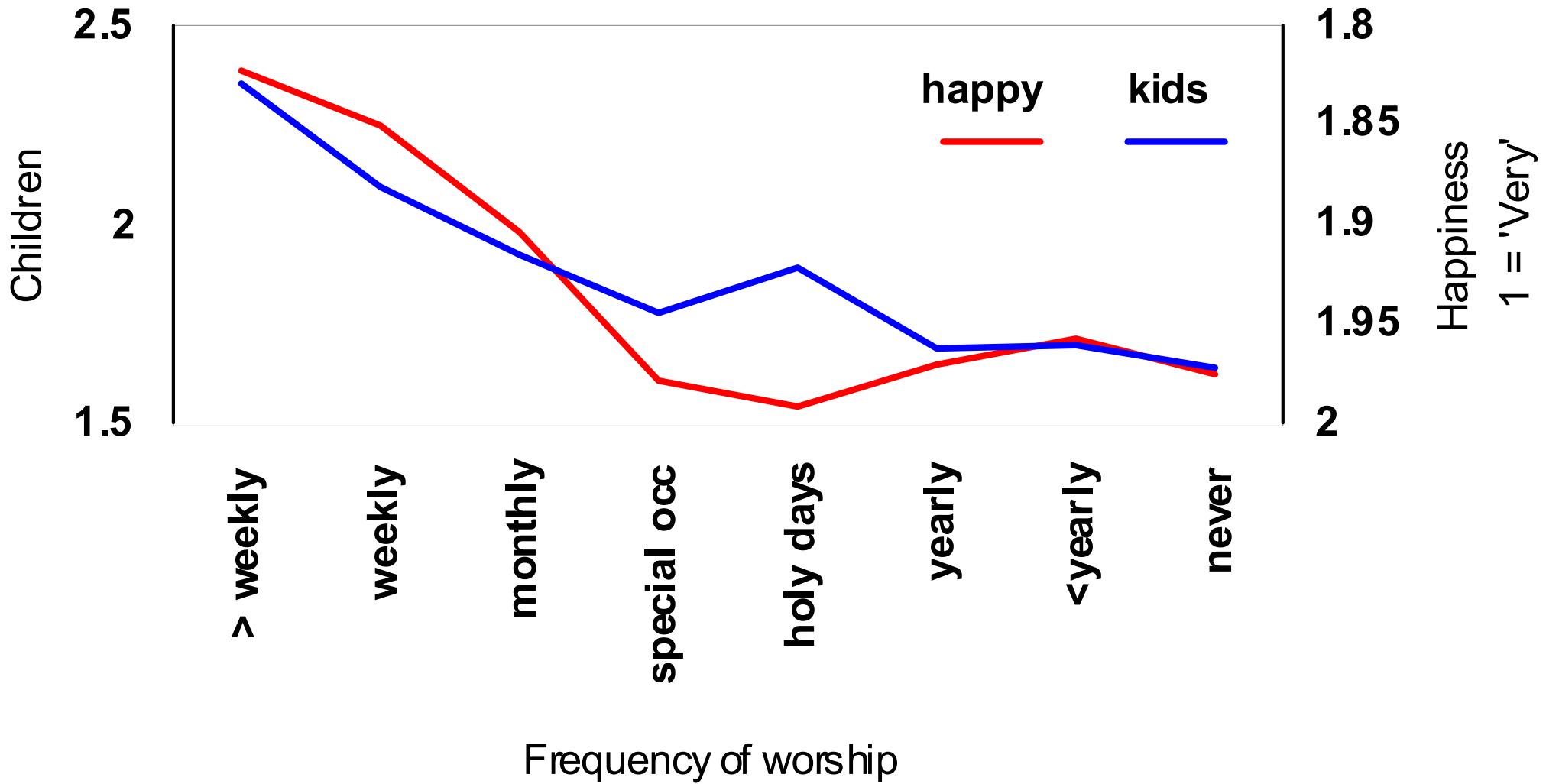
Mueller, Redeeming Economics, Fig 11-5, updated

# **Asking the wrong question: "Do children make us happy?"**



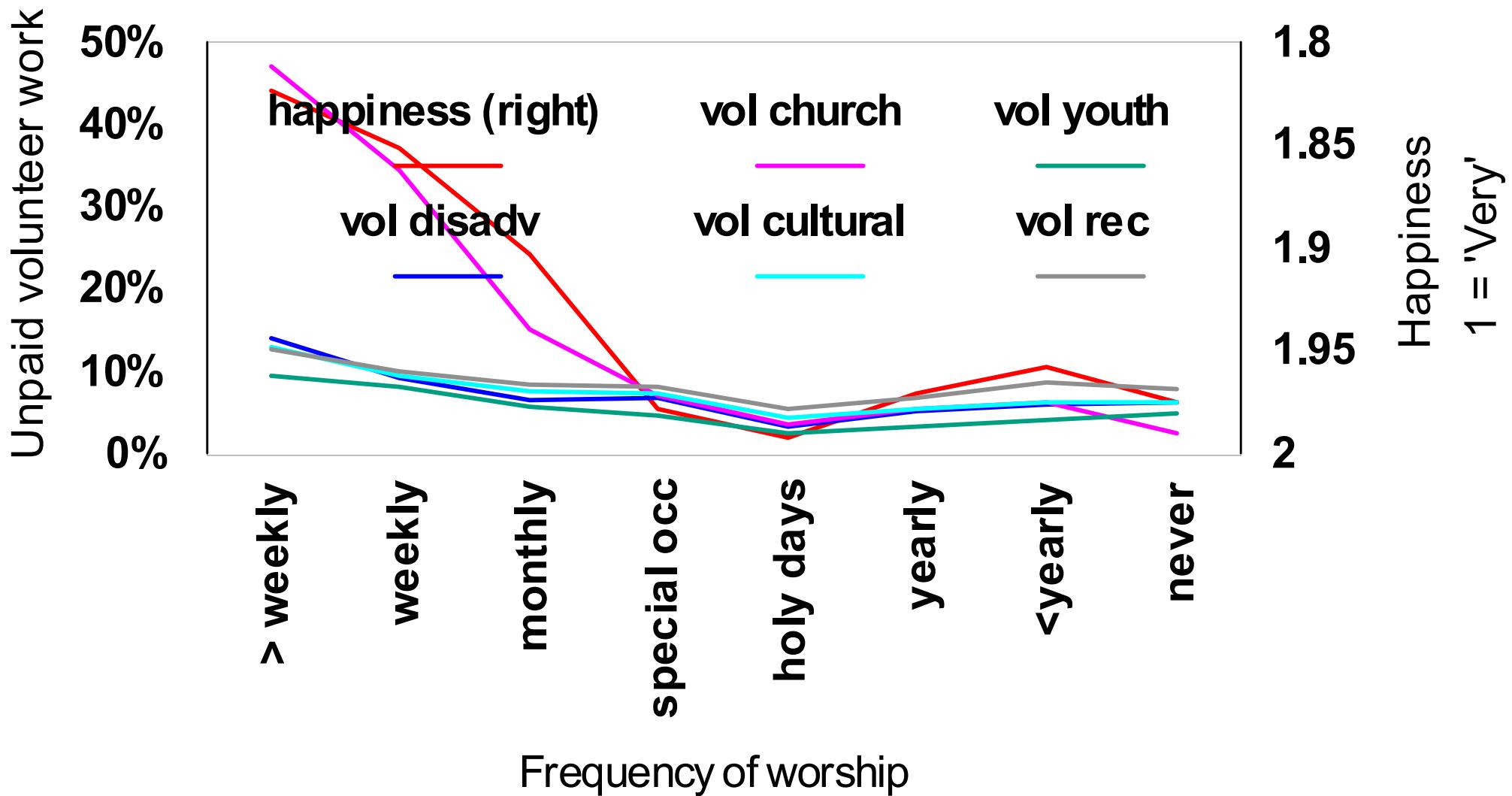
Source: World Values Survey, all countries & waves

# Worship, children & happiness



Source: World Values Survey, all countries & years

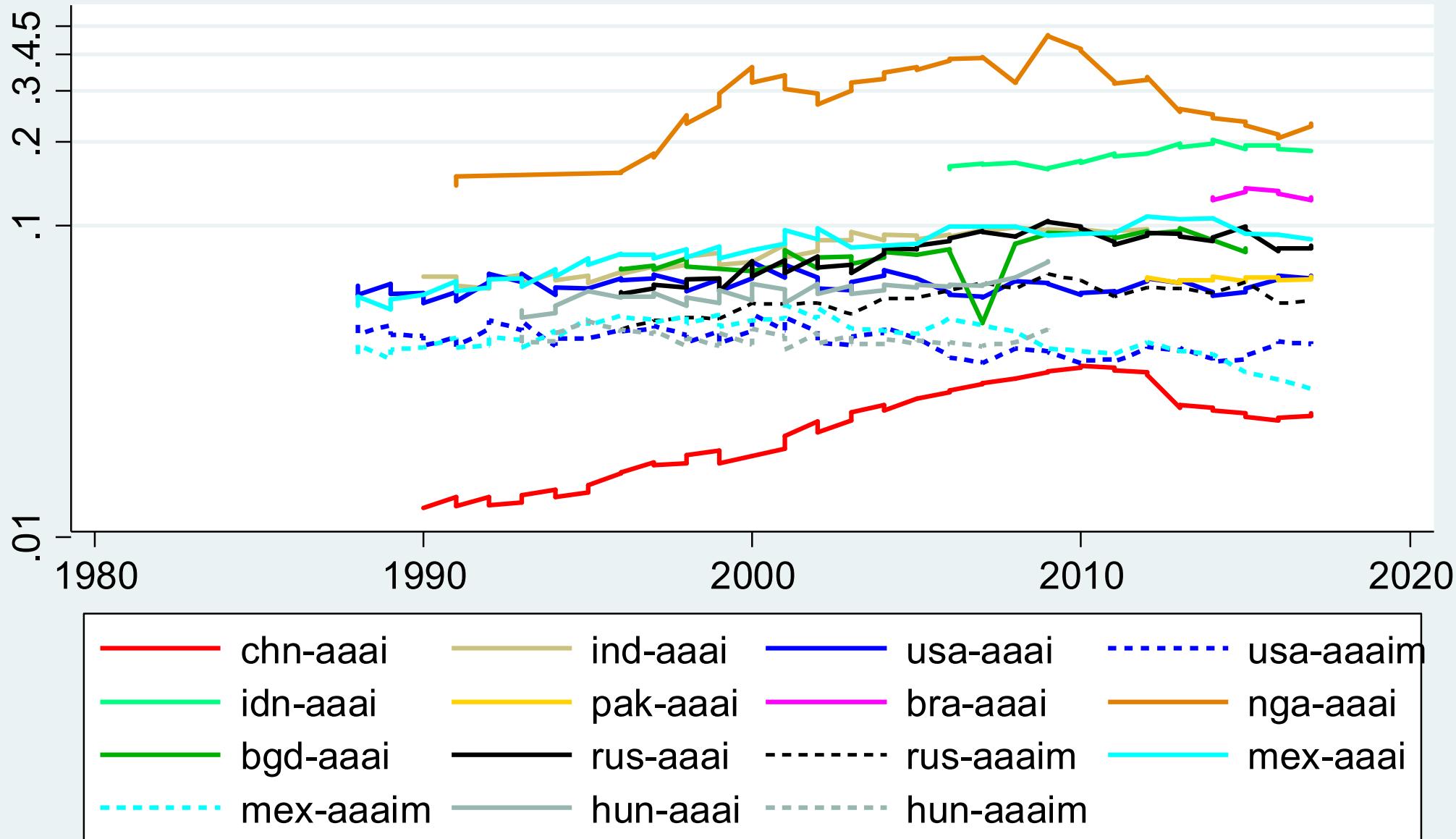
# Worship, volunteer work & happiness



Source: World Values Survey microdata, all countries and survey waves

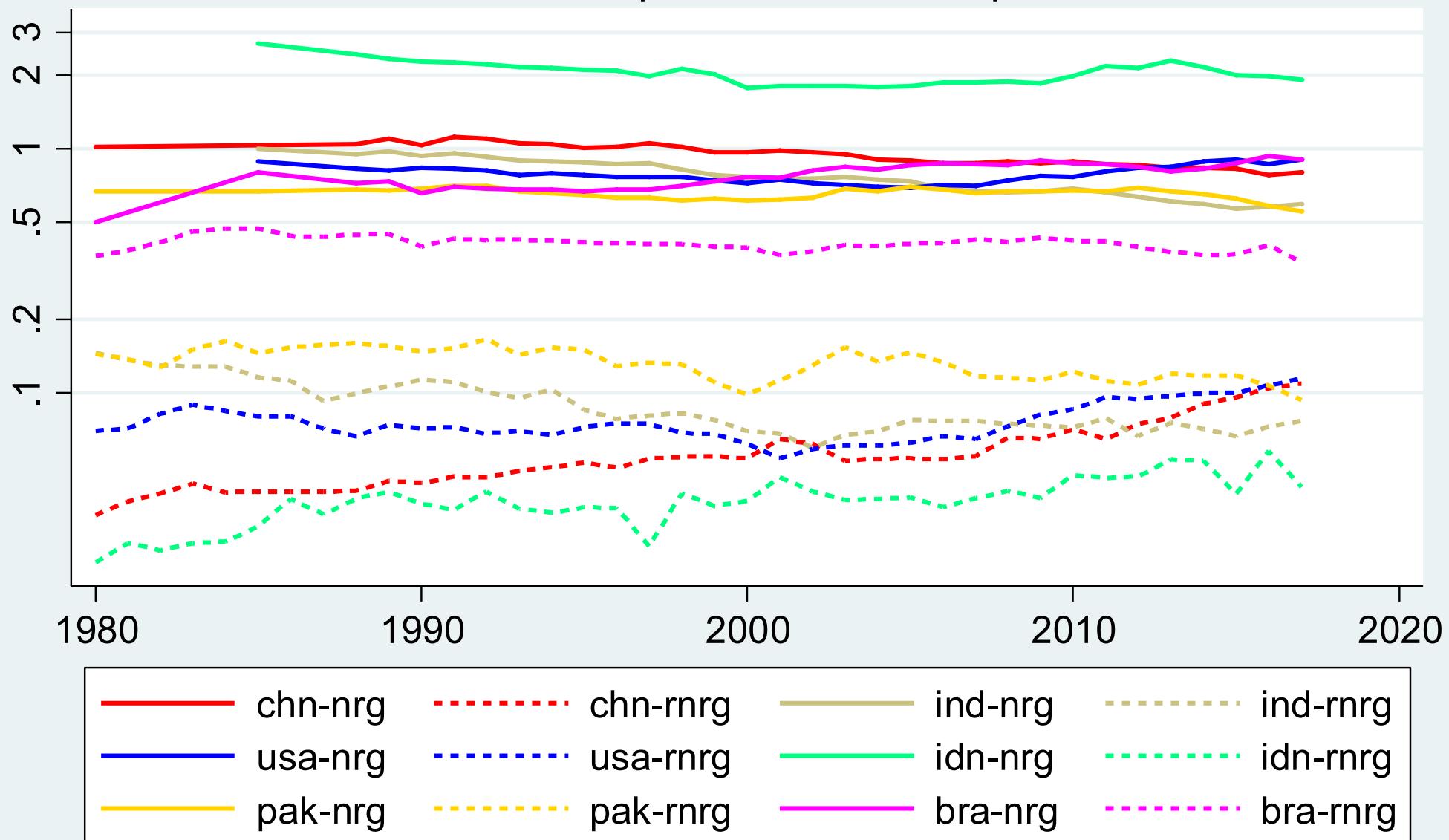
# The AAA Index

## 10 most populous countries (& Hungary)



# Total vs. renewable energy independence

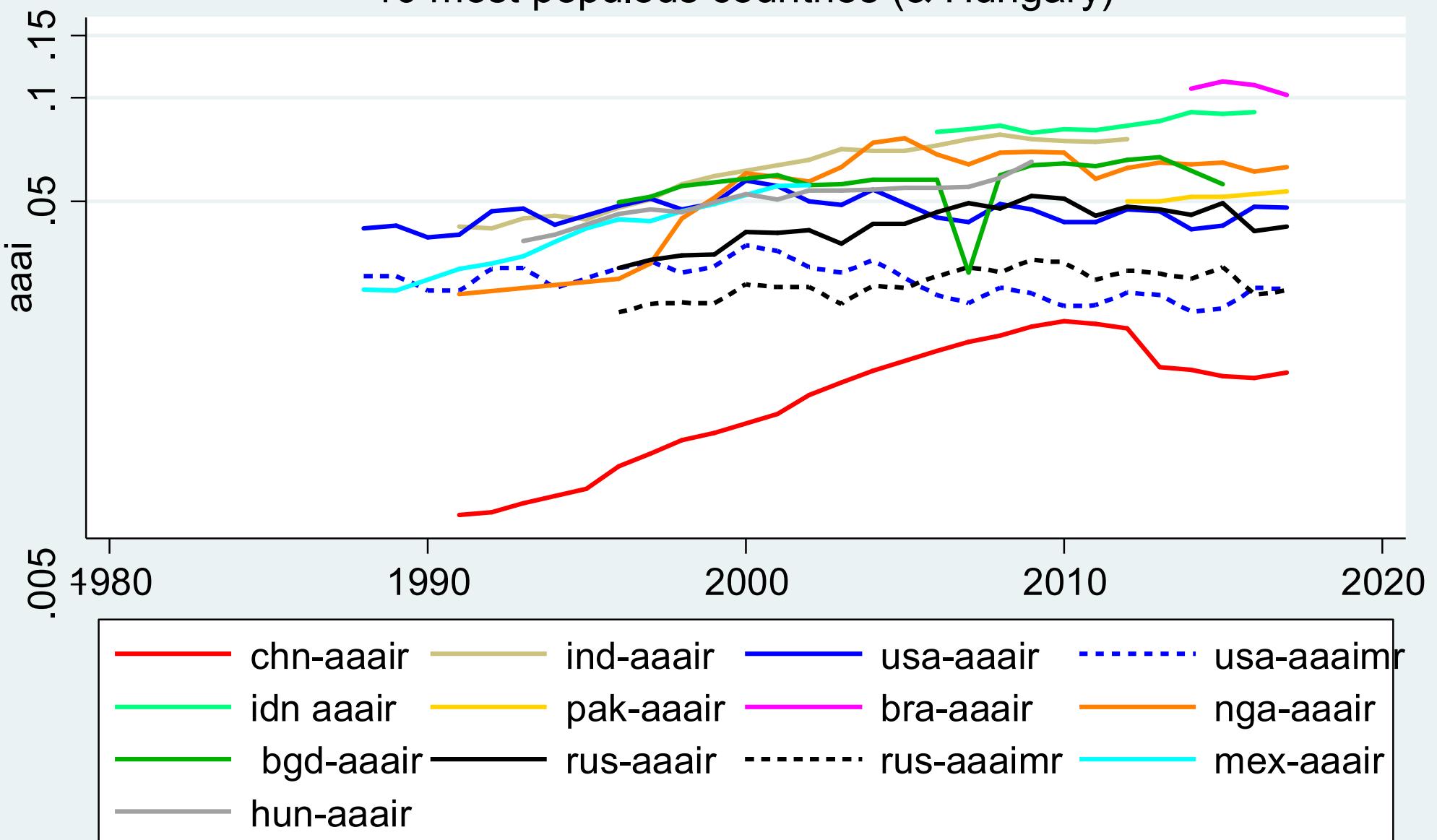
## Annual total production/consumption



Source: US Dept of Energy

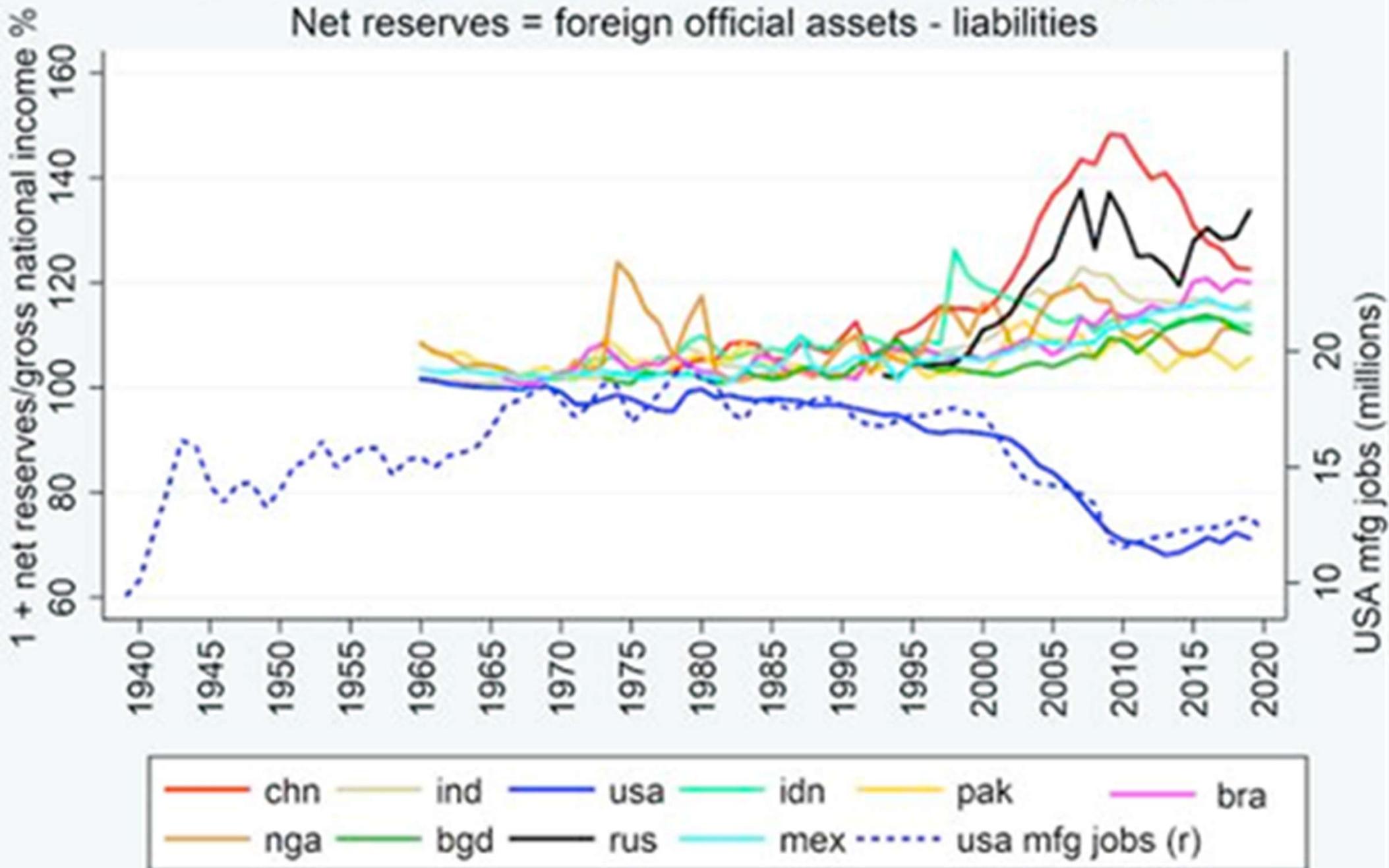
# The AAA Index based on renewable energy independence

## 10 most populous countries (& Hungary)



## Net monetary reserves vs USA manufacturing jobs

Net reserves = foreign official assets - liabilities



*Thank you!*

