



Datum | Date
16 August 2011

www.lindau-nobel.org

(Website with programme
of the meeting))

ECONOMIC SYSTEMS FOR AGEING POPULATIONS

The sustainability of our healthcare and retirement arrangements to be debated by economics Nobels and top young economists in Lindau next week

How sustainable are the arrangements in our societies for healthcare, retirement and welfare? How should we respond to demographic change while at the same time empowering people all over the world to exploit their full economic potential?

These are among the questions to be addressed at a high-level conference of economics Nobel Laureates and top young economists from around the world in Lindau, Germany, beginning on Tuesday 23 August. The Fourth Lindau Meeting on Economic Sciences will bring together brilliant economists from more than 60 countries for a unique dialogue across generations, cultures and scientific backgrounds.

Among the topics on the agenda:

'Demographic Change, Economics and Politics', a panel discussion with four Economics Laureates – Professors **Peter Diamond**, Sir **James Mirrlees**, **Christopher Pissarides** and **Edward Prescott**.

'Post-Retirement Economics', a plenary lecture by 1990 Economics Laureate Professor **William Sharpe**.

'Sick Insurance: Adverse Selection and Regulation of Health Insurance Markets', a plenary lecture by 2000 Economics Laureate Professor **Daniel McFadden**.

'The Future of Work in Europe', a plenary lecture by 2010 Economics Laureate Professor **Christopher Pissarides**.

William Sharpe will explore the economics of financial strategies for the use of accumulated funds by an individual or couple after retirement. He will consider an investor or pair of investors with a fixed amount of money to be used to finance consumption and possibly bequests over a finite period of future years.

Council for the
Lindau Nobel Laureate
Meetings

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Press Release
4th Lindau Meeting on Economic Sciences (Germany)



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His goal is to develop a framework for evaluating different financial strategies for people's post-retirement years. He will then use it to analyse a number of generic approaches based on industry practice, focusing on multi-year probability distributions of income, values of prospects for different horizons, and suitability for investors with different types of preferences.

Daniel McFadden will consider healthcare systems around the globe and, in particular, the 'information asymmetries' that are the fundamental source of difficulties in health insurance markets and in efficient provision of health services. Participants do not necessarily see the big picture of lifetime health costs and quality of life, and in many systems, the incentives that consumers and providers face do not promote efficient allocation of healthcare resources.

More than any other developed country, the United States has relied on private markets for health insurance and healthcare delivery. These markets have performed poorly. Denials and cancellations, exclusion of pre-existing conditions and actuarially unattractive premiums have left many Americans with no insurance or financially risky gaps in coverage. Administrative costs for health insurance in the United States are seven times the OECD average. And there are substantial health consequences with the United States ranking poorly in the survival rate from age 15 to age 60.

Given the damage that information asymmetries can inflict on private market allocation mechanisms, the question is what regulatory mechanisms can be used to blunt these problems. McFadden will examine the impact of regulations intended to promote equity and efficiency, with particular reference to the private market in the United States for prescription drug coverage for seniors, introduced in 2006 and subsidised and regulated as part of Medicare.

ENDS

Notes for editors:

The Nobel Laureate Meetings at Lindau (Germany) will be hosting their fourth meeting on Economic Sciences later this month, 23-27 August 2011.

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4th Lindau Meeting on Economic Sciences (Germany)

Press Release



Journalists are welcome to attend. Information on the meeting, including the programme, is available here:

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http://www.lindau-nobel.org/2011_Economics.AxCMS?ActiveID=2241

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The meeting will bring together 17 of the 38 living economics laureates with 373 of the brightest young economists from around the world.

The participating laureates are: George Akerlof, Robert Aumann, Peter Diamond, Eric Maskin, Daniel McFadden, James Mirrlees, Dale Mortensen, Robert Mundell, Roger Myerson, John Nash, Edmund Phelps, Christopher Pissarides, Edward Prescott, Myron Scholes, Reinhard Selten, William Sharpe and Joseph Stiglitz.

The young economists come from 65 different countries and 37% of them are women. They have been selected from over 5,000 researchers nominated by an international network of almost 200 academic partners, 44 national central banks, the Bank for International Settlements, the European Central Bank, the International Monetary Fund and the European Bank for Reconstruction and Development.

From their beginning in 1951 as a European initiative of post-war reconciliation, the Nobel Laureate Meetings at Lindau have evolved into an international forum for global issues. The first Meeting on Economic Sciences took place in 2004, followed by meetings in 2006 and 2008. Each meeting brings together brilliant economists to facilitate a unique dialogue across generations, cultures and scientific backgrounds.

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