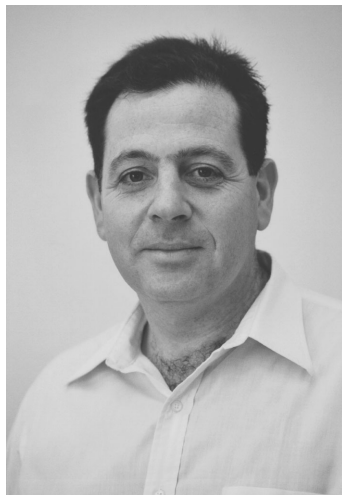


This Issue is Dedicated to the  
**Memory of Oved Yosha**

Oved Yosha: Scholar and Colleague  
(1956-2003)

**Yishay Yafeh**



Prof. Oved Yosha, who died when he was less than 47 years old, was a prominent figure in Israel's community of economists. His contributions to several fields of academic research in Economics were outstanding. Through continued cooperation with the Bank of Israel, Oved had substantial influence on several aspects of economic policy, most notably with respect to the reform of the financial system in Israel. And Oved was a dedicated teacher, who spent much time and effort with his students, and won their admiration and affection.

Oved began his career in Economics at a relatively late age, after spending many years as an officer in the Navy. He completed his undergraduate studies at Bar Ilan University in 1984 and his MA at the Hebrew University in 1988. He continued his studies at Harvard University, and graduated in 1992 with a Ph.D. in Economics. Oved served as an assistant professor at Brown University, and starting in 1994, made Tel Aviv University his academic home. He moved quickly up the academic ladder and was promoted to associate professor in 2002.

Oved's research can be divided into several fields. Some of his early theoretical papers with Roberto Serrano focus on markets with "pairwise meetings" (between buyers and sellers). From this, his interests evolved into the study of financial systems where there are relationships between financial intermediaries and firms, in comparison with other financial systems where financial intermediation is carried out by large "anonymous" markets. He spent several years developing a field of research within Economics, which he liked to call "Comparative Financial Systems." At this stage, Oved became more interested in empirical work, although he continued to enjoy reading, writing, and teaching economic theory throughout his career. His contribution to the growing literature on different financial systems has been substantial, spanning a wide range of issues. Among other things, he studied the privatization of multi-product banks, information disclosure and the choice of financing methods, the tradeoff between competition and stability in financial systems, the costs and benefits of universal banking, large shareholders and corporate governance, and the rationale for stage financing in VC contracts.

Oved's academic interest and expertise in financial systems exerted continued influence on policy making, especially within the Bank of Israel. He helped make the study of the financial system an integral part of the Bank's review of the Israeli economy. His ideas, published also in a variety of outlets which were more accessible to the general public than the prestigious academic journals in which much of his research appeared, influenced the views of several blue ribbon committees, appointed to propose measures of reform in Israel's financial system.

Oved's second line of research focused on risk sharing between states, regions and countries. In a series of papers Oved, together with Bent Sorensen and others, developed techniques to identify and measure channels of risk sharing between economic units. Risk sharing, or the smoothing of economic shocks, take place through financial markets, as well as through government programs and taxes. This line of research, which was more macro-economic in nature than Oved's work on financial systems, proved particularly fruitful. The extent of risk sharing between economic units has important implications for economic specialization,

fiscal policy, consumption patterns, output fluctuations, and more. Oved's articles on these subjects appeared in the most prestigious journals of the economics profession such as the *Quarterly Journal of Economics*, the *Journal of Political Economy* and the *American Economic Review*.

It is impossible to complete the description of Oved's academic career without some reference to his qualities as a teacher. Oved took his teaching obligations seriously, loved teaching and excelled in it, enjoyed meeting with his most promising students over coffee to discuss their theses, and spent much energy and thought on the graduate program and curriculum at Tel Aviv University. Some of his students became his co-authors, and they, as well as his other students, colleagues, and friends, will all miss him very much.