Banking developments and financial market infrastructure in South East Europe

This report draws on discussions at the conference on “Banking Developments and Financial Market Infrastructure”, which was held in Tirana, Albania, on 9 November, 2017, jointly organised by the Bank of Albania and SEESOX, and in cooperation with PEFM (Political Economy of Financial Markets) of the European Studies Centre, Oxford. The participants included academics and officials from Albania, and others countries in South East Europe, as well as from Oxford University, the LSE, Bocconi University, Banca d’Italia, the IMF and the World Bank. The report, written by Adam Bennett, represents SEESOX's interpretation of discussions and does not purport to reflect the views of any of the participants (except where specified).

Preamble

The conference was convened by the Bank of Albania in collaboration with SEESOX. Its purpose was to discuss domestic and foreign risks to banking system stability in Emerging Europe, with a particular focus on Albanian and SEE economies, and the challenges that these risks pose for central banks. In particular the conference was tasked with addressing the following questions: how the ambient risks at large could alter the nature and magnitude of potential shocks; what impact would the materialization of such risks have on central bank policy efficiency and policy outcomes, and what alternative policy tools might be available for a more effective response; what role do financial markets play—especially in view of their incompleteness and imperfection—in the effectiveness of policy actions and in the achievement of macro-financial stability in the economy.

The conference was opened by two keynote speeches by His Excellency Ilir Meta (President of Albania), and by Arben Ahmetaj (Minister of Finance of Albania), and by welcoming addresses by Gent Sejko (Governor of the Bank of Albania) and by Othon Anastasakis (Director of SEESOX, Oxford University). Mr Meta observed that the Great Financial crisis (GFC) was, inter alia, a reminder that the lessons of past crises are often overlooked, and that this myopia of financial markets regarding the past renders the system inherently vulnerable to risk. While the GFC had now been brought under control, in terms of its origins, it had introduced new risks—now very evident in the Eurozone—of high levels of government debt, while at the same time lowered the market’s tolerance of risk. These effects had reached the Albanian economy, resulting in a deceleration of growth and the exposure of structural shortcomings. He commended the Bank of Albania in its efforts in helping to mitigate the effects of the GFC. Mr. Ahmetaj made reference to the role of the IMF’s Extended Fund Arrangement with Albania, and agreed with the
IMF’s view that a slowdown in reforms would jeopardize the progress made to date in underpinning’s Albania’s future prosperity. He pointed out that the conclusion of the arrangement earlier in 2017 did not imply that the close relationship between Albania and the IMF was at an end, because monitoring would continue under the IMF’s annual Article IV Consultations. For his part, Mr Sejko enlarged on the need for continued reform, including in the financial sector, notwithstanding Albania’s economic resilience during and after the GFC. Considerable progress had been made in resolving non-performing loans on banks’ balance sheets, and (unlike in the run-up to the GFC) domestic credit growth was now concentrated in local currency (thereby limiting forex risk of their customers). Nevertheless, the dependence of the Albanian economy on its banking system (which comprises 90 percent of the financial system as a whole) remained a drawback, and highlighted the need for a more diversified system, where securities markets and pension funds, for example, have a greater role than at present. He drew attention to the still low level of financial inclusion in Albania (only 38 percent of adults have bank accounts) and to reports that one third of enterprises feel constrained by a lack of access to credit. He called for improved financial education for Albania’s citizens, supporting a more diversified and inclusive system which would be welfare enhancing for the country as a whole. Othon Anastasakis (Director of SEESOX) stressed the mutually supportive relationship between SEESOX and the Bank of Albania, charting the various conferences, workshops, lectures and publications that have followed the evolving debate: the strategies to exit the GFC, the agents of reform, the implications of European Banking Union, the impact of Brexit and now to the opportunities and risks in the post-crisis environment.

The nature of risk and risk resilience in the SEE Region

Othon Anastasakis resumed his peroration to begin the first session and cautioned against neglecting political risks in these deliberations on the economic risks – asserting that never was this better illustrated than by the Greek angle of the Eurozone crisis. He reviewed the positive and negative trends in the EU, with some retreat from extreme populist scenarios in recent elections during the past year but still the risk of disintegration. The Brexit process was well underway, even if the exact destination remains unclear, but new fractures have emerged elsewhere in Europe, such as between Catalonia and Spain, for which the EU was quite unprepared. Unemployment remains high, and social inequalities and regional disparities persist—the normative notion of convergence is not happening as envisaged. Beyond the EU, Europe faces global challenges: no longer able to take for granted the traditional transatlantic alliance, it nevertheless faces continuing problems with Russia on its eastern flank as well as new tensions with Turkey. Fortunately, souring

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1 A three-year Extended Fund Arrangement for Albania was approved by the IMF’s Executive Board on February 28, 2014. It expired, following the successful completion of the nine and tenth reviews, on February 24, 2017 with the arrangement’s resources fully drawn.
relations with Turkey have not (yet) undone the deal to contain the flow of migrants from the Arab world escaping conflicts related to Islamic fundamentalism. The EU will need to rethink its enlargement process, but Juncker has affirmed the intention to continue with plans to integrate (in due course) the Western Balkans. Both Serbia and Montenegro look on track to join the EU within the next 7-8 years. The Berlin initiative—supporting connectivity, education, and infrastructure in the region, with €900 million in commitments—is also a positive signal regarding the EU’s continuing engagement with SEE. Jens Bastian (formerly with SEESOX and now an independent consultant) explored further the role of China in SEE. China is a relative newcomer to SEE as a strategic investor—but not to Albania where it has a longer tradition of involvement. Investments include motorways by China Pacific Construction Group, oil exploration rights by Geo-Jade Petroleum, port infrastructure in Shëngjin, the lease on Tirana airport by Chinese Everbright, etcetera, serving as icebreakers and a catalyst for further engagement. Is there logic to this Chinese link with SEE? Yes, if seen as a Balkan Silk Road leg to China’s much larger “belt and road” initiative. As part of its enabling process, China has recently established a financial footprint, in the form of a branch in Beograd of its Silk Road Bank. There are now two Chinese led SEE investment funds (the most recent being for €10 billion). SEE borrowing by means of Renminbi bond issues in China is likely, following the Hungarian example. However, this growing dependence on Chinese investment—which might seem more stable than investment from EU countries—is not without its risks, as the IMF has pointed out. Many Chinese projects must be implemented using Chinese workers and equipment, which limits the knowledge transfer and other multiplier effects on local incomes. There is also the risk that trade imbalances between SEE and China will be to the region’s disadvantage. China is already, for example, Albania’s second most important trading partner. Bastian concluded by recommending that SEE seek to more carefully manage China’s growing influence in the region, even if it cannot be fully contained. Bas Bakker (the IMF’s Senior Regional Representative) painted a more optimistic picture, from the perspective of the progress that the region has made in the last fifteen years. The hiccups of 2009 and 2012 have been largely overcome, and the region is growing again. Unemployment was coming down (though still remains too high). Fiscal deficits have come down, but public sector debt is still much higher than before the GFC. Current account deficits are also down, and a greater proportion of these is now financed by foreign direct investment (rather than by debt). Nevertheless, external debt remains relatively high. Poorer European countries have grown faster than richer ones. But countries in the Western Balkans have not done as well as the New Member States. As countries prepare for EU membership, however, they will (be required to) upgrade their institutions, including improving the efficiency of government and the productivity of the private sector. All in all, the outlook was better than it had been for some
time, though challenges undoubtedly remain. Frans Nauschnigg (Österreichische Nationalbank) added to the overall gloss of the above, describing the Euro Area enlargement to incorporate Slovenia, Slovakia and the Baltics, as having gone very well. Croatia was now also preparing to join. The Euro is still the second most important reserve currency after the US dollar. Mario Draghi’s announcement to “do what it takes” to support the Euro saved the day, and since then there has been no further trouble. Despite the commitment to Open Market Transactions (OMT) as needed, in the event not a single cent had to be spent. The Asset Purchase Program (APP) under which the EDCB bought the bonds of peripheral Euro members has actually resulted in a profit for the ECB (of some €60 billion). The popularity of the Euro has recovered and trust in banks has improved. Growth in the Euro Area is now picking up strongly. All this is good news for the SEE region.

Periklis Drougkas (Albanian Association of Banks) focussed on developments in the Albanian banking system, where the situation was steadily improving. Balance sheet quality had been strengthened, while market risks seem to have diminished. Banks were meanwhile implementing the new regulations required by the Bank of Albania, including on the debt collection process. The digitalization of finance will help smaller banks (mainly Albanian) to compete more effectively with larger banks (often foreign owned). However, this process also significantly increases the risk of cyber-crime. Natasha Almetaj (Bank of Albania) looked at the banking system from a longer perspective: twenty years ago almost nobody had a bank account, whereas now everyone can expect to have one. Nevertheless, despite a high level of trust in the Albanian banking system, a decline in financial stress and a lower cost of borrowing, the level of financial inclusion is still too low (as Governor Sejko observed in his opening statement). She dwelt on the question of the “too big to fail” problem. Was it possible to optimize bank size? Regulations could not solve the problem, nor could capital requirements. Competition is fine, but one can have too much of it—particularly if this lowers profitability unduly or encourages excessive risk taking. The rules are becoming very complex, reflecting in part the growing complexity of the financial sector itself.

Economic, financial and institutional challenges and policy solutions

The second session began with an econometric study undertaken by Professor Massimiliano Marcellino (Bocconi University) and his colleagues which examined the effectiveness of monetary policies during periods of credit stress, by comparison to more equable circumstances. The data set used was from the United States, but the conclusions are likely to apply to most market economies. There was already evidence that the economic response to monetary policy actions varied according to the stage of the business cycle, as did the fiscal multiplier, as well as the association with unemployment and hiring practices with changes in uncertainty. Marcellino’s findings narrows this transmission channel down to the effect of credit stress (measured by
spreads) on demand in the economy, which is found to be more powerful than the business cycle itself (measured by change in industrial production) or by changes in the monetary policy stance. However, monetary policy effectiveness on credit stress (spreads) and thereby on demand is enhanced during periods of high stress. This implies that monetary easing (as was observed in the GFC in the USA – if not initially in the Eurozone) in such conditions can be effective in preventing excessive adjustment in the wake of a credit shock. Piroska Nagy-Mohacsi (London School of Economics) examined the conditions under which middle income countries whose growth trajectory has become stalled en route to joining the high income countries, and argued that the blocking factors to further progress can be removed by a combination of reducing corruption, improving education, and extending the access to credit. The latter can be improved by addressing banks risk aversion in the face of high levels of non-performing loans (NPLs), which in turn required such loans to be expeditiously resolved and removed from the balance sheet. This would both boost confidence amongst managers and free up their time for making new loans. She focussed on the record of Albania in this area, already touched upon by Governor Sejko, and commended the progress underway in promulgating upgrades in Bankruptcy Law, a Credit Register, mandatory NPL write-offs, out-of-court debt restructuring, and amendments to key Civil & Civil Procedure Codes. Notwithstanding these initiatives, Albania and market economies more generally will need to find ways to manage the absorptive capacity for waves of new regulation, including the compliance hurdles for new and small businesses, the limits on the power of capital requirements to forestall crises and the “too big-to-fail” problem, and the fact that central banks can never completely avoid the political dimension or resist populist pressures. Pietro Catte (Banca d’Italia) explored the use of macro-prudential policies to support more broad based monetary policies and micro-prudential measures in better managing macroeconomic risks. The GFC had shown the need for supplementary policies to forestall financial crises. Judicious use of macro-prudential policies, essentially the use of traditionally micro-prudential tools—sectoral capital ratios, liquidity ratios, exposure limits, etcetera—could help counteract systemic vulnerabilities. However, greater international coordination is needed, as such measures can be circumvented by regulatory arbitrage and also undermine the competitiveness of financial centres that deploy such measures—limiting the incentive to utilize macro-prudential tools when they might be warranted. Catte cited various (rather inconclusive) studies that examined the spill over effects of macro-prudential policies across borders. Inward spill overs (where domestic measures are circumvented by inflows from abroad) can in principle be countered by reciprocity agreements that effectively harmonize the regulatory regime across borders for the relevant market. Outward spill overs (e.g., the reversal of foreign capital inflows in wake of regulatory tightening in home country jurisdictions) can sometimes be
handled by ad hoc arrangements such as the Vienna Initiative. **Erald Themali** (Bank of Albania) concurred that the GFC had shown the need for monetary policy and micro-prudential policies to be supplemented by macro-prudential polices to better control aggregate risks to the economy. While demand shocks remained the dominant source of disequilibrium in the economy, financial shocks (especially in the wake of the GFC) were becoming more important. He explored the effect of various risk factors, including liquidity risk, credit default risk, and exchange rate risk. Of these, exchange rate risk is the most important, but its various components—competitiveness and balance sheet exposure—tend to work in opposite directions. Themali argued that further measures were needed to help “de-Euroize” the economy so as to limit exchange rate risk (particularly as regards balance sheet risks) and that liquidity risk could be reduced through the deepening of securities markets. **Guido Della Valle** (IMF resident advisor to the Bank of Albania) discussed the depth of Albania’s financial system. Although the ratio of financial assets to GDP in Albania is comparable to the rest of SEE, the ratio of credit to the private sector is the lowest of the region—reflecting the size of government debt. Albania’s financial system is also more bank-dominated than any other country in the region. He argued for a reduction in bank dominance and the development of alternative investment instruments. This process could begin with the development of a government securities market, and by the growth of non-bank financial institutions. Following up on this theme, **Linda van Gelder** (World Bank Country Director for the Western Balkans) noted that financial inclusion has become a global priority. It is recognized as an enabler for 7 of the 17 Sustainable Development Goals set by the United Nations, and has been designated as a priority by the G20. The Western Balkan region’s low level of financial inclusion could be addressed by a number of reforms, including improved credit and financial reporting, digitization of cash-payments, mobile-based financial services, and strengthened legal and regulatory frameworks for secured transactions and insolvency. Of course, greater financial inclusion also exposes more participants to the risk of financial system instability, so there also needs to be appropriate consumer protection in financial markets, as well as regulatory oversight and monitoring.

**Central Bankers’ Panel Discussion: Financial markets, financial inclusion and their role for future developments in macroeconomics and financial stability**

The central bankers’ panel explored a range of issues relating to financial markets. The Governor of the Bank of Albania, **Gent Sejko**, began by reviewing the state of Albanian banking. He reminded delegates that 90 percent of Albania's financial system is still accounted for by banks and banking, and only 10 percent by non-bank financial institutions. Competition has increased, and on the whole has brought benefits—not only in a lower cost of finance but also in the provision of a more diverse range of financial products. Nevertheless, financial inclusion metrics remain unsatisfactory: only 6 percent of adults
have a credit card, only 38 percent have a bank account. The sector has recovered well from the GFC, with non-performing loans reduced from a peak of 25 percent of banks' balance sheets to only 14 percent through the implementation of detailed actions plans. This has reduced risk aversion, and allowed banks to resume lending. Confidence in the Albanian currency has meanwhile helped ensure that most of this new lending is in local currency (rather than in foreign currency). This conscious policy of de-euroization of Albania's banking system should reduce the economy's foreign currency balance sheet exposure and strengthen the effectiveness of domestic monetary policy. Nevertheless, he felt that the Albanian economy was sufficiently competitive to be able to adopt the Euro, as and when that moment comes in Albania's possible membership of the EU. Sejko looked forward to a more developed, diverse and inclusive financial system. While the banking system has contributed to increase financial intermediation, capital markets remain dormant and other segments of non-bank financial activity. These dormant important segments of the capital and financial markets must become active and need to grow to support the economic development and direct informal activity into the formal sector. Together with Banks they must provide financial services to broaden and deepen financial market in Albania.

Belma Ĉolaković (Chief Economist of the Central Bank of Bosnia and Herzegovina) approached the issues from the perspective of Bosnia. Bosnia had over 120 financial institutions, covering banking, insurance, investment funds, and other institutions, though banks dominate by market share. There are also two stocks exchanges—but their main activity is to serve the government sector and its borrowing needs and debt issuance program. These securities are mostly posted on balance sheets at book value rather than market value, which raises questions about the balance sheet quality. The absence of large domestic investors means that there is little informed estimation of local business credit risks. Savings (and thereby domestic inflows into banks) are constrained by the relatively large share of personal incomes (and GDP) going toward (subsistence) consumption. Bosnia's demographics, with a rising population share of the elderly dependent on pensions and the emigration of young professionals, also constrain the resources available for financial intermediation. There is room for improvement on financial inclusion metrics (53 percent of adults have a bank account), and there is considerable scope to raise financial literacy, especially in setting up businesses. Bosnia benefits from significant inflows of remittances, but this is difficult to monitor when the remitters are based outside Bosnia which puts pressure on policies to combat money laundering. Radoje Žugić (Governor of the Central Bank of Montenegro) noted that in Montenegro, as elsewhere, some 90 percent of financial system assets are “in the hands” of banks, most of which are foreign owned. Nevertheless, banks balance sheets have seen improving quality, with non-performing loans down from a peak of
25 percent of GDP to only 7 percent. There is work to be done to raise financial literacy, particularly in business management—Montenegro suffers a relatively high probability of corporate indebtedness and personal bankruptcy. Aneta Krstevska (Chief Economist of the National Bank of the Republic of Macedonia) revealed that in Macedonia at least some progress has been made in reducing the dominance of banks, down from the ubiquitous 90 percent evident elsewhere in the region to “only” 85 percent of the financial system. There has also been some increase in private pension funds and life insurance companies. Private pension funds have been active in government securities markets, leaving banks with more room to lend to the private sector. Stock markets were busy during 2006-08, but since the GFC have been largely inactive. Recent efforts to link together the various stock markets in the region are a good example of regional cooperation. Further competition in the non-bank financial sector would be good. As elsewhere, further progress could be made in enhancing financial literacy, including in business propositions—banks don’t receive enough good projects to support with loans. Fehmi Mehmeti (Governor of the Central Bank of Kosovo) was able to claim an even lower share of banks in financial assets, at 70 percent, with pension funds occupying the major part of the remaining share at 25 percent. Non-performing loans have fallen to 3.5 percent, which is a low level. Nevertheless, the rate of financial intermediation as a whole (compared with GDP) in Kosovo is still well below that elsewhere in the region, implying that there remains considerable scope for this to increase. The further development of financial infrastructure and information technology and better financial education could help banks garner more customers (in a country where less than half of adults have a bank account) by making it easier to access and use their financial services.

**Summing up**

Jens Bastian, acting as Chair of the Governor’s panel, endeavoured to sum up the key findings of the conference. He concluded that there were reasons to be cautiously optimistic about SEE at this juncture, though perhaps more in some countries than in others. Challenges nevertheless remain. The region as a whole still has a relatively bank-dominated financial system. Non-performing loans are falling, but their resolution remains problematic. While stock market activity is beginning to recover, there needs to be greater synergies between the financial centres, as well strengthened efforts to contain the informal financial markets. There is room to improve education in primary and secondary schools, and especially in financial education for adults towards advancing financial inclusion. The emergence from the GFC can also be seen as an opportunity as well as a source of renewed risk. These opportunities include the review of the incentive structure of banks, and of their regulatory and supervisory framework, as well as enhanced cooperation between countries in the region in financial matters, and between SEE and multilateral organizations like the IMF and the World Bank.
Group photo, SEESOX/Bank of Albania Conference – Tirana, 9 November 2018

Governors’ panel
Brief Summary: The purpose of the conference is to discuss domestic and foreign risks to banking system stability in Emerging Europe, with particular focus on Albanian and SEE economies and the challenges that these risks present for central banks. In particular the conference will: analyze how risks influence risks, change the nature and magnitude of potential shocks; estimate the impact of these risks on the central banks’ policy efficiency and policy outcome and propose alternative policy tools; and discuss the role of financial markets, their incompleteness and imperfection, in the effectiveness of policy action and the achievement of macro-financial stability in the economy.

08:30 – 09:00 Registration

09:00 – 10:00 Welcome and opening speeches
Welcome address by Gent SEJKO, Governor, Bank of Albania
Greeting speech by Arben AHMETAJ, Minister of Finance and Economy
Welcome address by Othon ANASTASAKIS, Director of South East European Studies at Oxford (SEESOX), St Antony’s College, University of Oxford

10:00 – 10:10 Group photo

10:10 – 11:40 FIRST SESSION: The nature of risks and risk resilience in the SEE Region
The session will discuss the nature of current regional and domestic risks, their interlinks and at the same time define and assess resilience to these risks. The session will explore the regional dimension.

Chair: Piroska NAGY, Programme Director, LSE Institute for Global Affairs

EU developments and the impact in the region of South East Europe: External risks and challenges
Othon ANASTASAKIS, Director of South East European Studies at Oxford (SEESOX), St Antony’s College, University of Oxford

Geo-economic developments and Regional trends: China’s financial footprint in the Region; What are risks and opportunities?
Jens BASTIAN, Independent Economic Consultant

Regional and country specific risks: Comprehensive discussion of economic, financial stability risk, fiscal institutional and sovereign risks
Bas B. BAKKER, Senior Regional Resident Representative, IMF Regional Office for Central and Eastern Europe

Euroisation, Euro Area monetary policy and its consequences for banking and financial system market risks in the SEE region
Franz NAUSCHNIGG, Head of European Affairs and International Financial Organizations Division, Oesterreichische Nationalbank (OeNB)

Banking and financial system market risks, comprehensive discussion of liquidity risk & solvency risks, economic and financial stability risk fiscal and sovereign risks
Periklis DROUGKAS, Chairman, Albanian Association of Banks

Banking sector in Albanian economy: what’s next?
Natasha AHMETAJ, Second Deputy Governor, Bank of Albania
11:25 – 11:40 Questions & Discussions

11:40 – 12:00 Coffee break

12:00 – 13:30 SECOND SESSION: Economic financial and institutional challenges and policy solutions
The session will discuss challenges and policy options faced by central banks and Supervising Authorities. The session will keep in focus the role and efficiency of monetary policy, exchange regimes, macro prudential and regulatory changes and/or other institutional arrangements in the presence of financial market incompleteness and limitations.

Chair: Adam BENNETT, Deputy Director of PEFM & Associate of SEESOX, St Antony’s College, University of Oxford

Price setting mechanisms and the scope for central bank policies for price and output stabilization
Massimiliano MARCELLINO, Professor, Department of Economics, Bocconi University

NPLs as the main and fundamental source of all macro and financial problems - Credit developments, its drivers and implications
Piroska NAGY, Programme Director, LSE Institute for Global Affairs

The direct and indirect impact of micro and macro-prudential policies undertaken in the developed partners - Including Eurozone Supervisory and Regulatory Authorities, FED etc.
Pietro CATTE, Deputy Head of International Economy and Relations Directorate, Banca d’Italia

Traditional and non-traditional tools of monetary and financial market interventions. Is there a role for monetary, macro prudential and regulatory policy? What else is available for the central banks?
Erald THEMELI, Director of the Monetary Policy Department, Bank of Albania

Banking system, financial market institutions and the role of missing market links
Guido DELLA VALLE, IMF - Monetary Policy Advisor to Bank of Albania

The role of financial inclusion not only as a tool for poverty reduction but also as an instrument to reinforce central bank policies related to financial stability while managing financial trade-offs for inclusive growth
Linda VAN GELDER, Country Director for the Western Balkans Region, World Bank

13:15 – 13:30 Questions & Discussions

13:30 – 15:00 Lunch

15:00 – 16:30 GOVERNORS’ PANEL: Financial markets, financial inclusion and their important role for future developments in macroeconomic and financial stability
The panel will discuss the role of the financial market and its infrastructure, in particular the role of missing links (money market, pension funds, mutual funds etc., and other market segments) and recent fintech expansion, in the current developments with respect to risks, resilience and efficiency of monetary and financial stability policies?

Chair: Jens BASTIAN, Independent Economic Consultant

Gent SEJKO, Governor, Bank of Albania
Belma ČOLKOVITIĆ, Chief Economist, Central Bank of Bosnia and Herzegovina
Fehmi MEHMETI, Governor, Central Bank of the Republic of Kosovo
Radoje ŽUGIĆ, Governor, Central Bank of Montenegro
Aneta KRSTEVSKA, Chief Economist, National Bank of the Republic of Macedonia

16:30 – 16:45 Summary and closing remarks
South East European Studies at Oxford (SEESOX) is part of the European Studies Centre at St Antony’s College, Oxford. It focuses on the interdisciplinary study of the Balkans, Greece, Turkey and Cyprus. Drawing on the academic excellence of the University and an international network of associates, it conducts policy relevant research on the multifaceted transformations of the region in the 21st century. It follows closely current developments and analyses the historical and intellectual influences which have shaped perceptions and actions in the region. In Oxford’s best tradition, the SEESOX team is committed to understanding the present through the longue durée and reflecting on the future through high quality scholarship.

SEESOX has the following objectives:

- To support high-quality teaching and research on South East Europe;
- To organise conferences, workshops and research seminars;
- To promote the multi-disciplinary study of the region within the University of Oxford (e.g. politics, international relations, anthropology, sociology, economics) working in collaboration with other Centres and Programmes within the University, including student societies;
- To spearhead intellectual exchanges and debate on these issues among networks of individuals and institutions beyond Oxford;
- To foster cooperation between the academic and the policy making communities.