

Date: 22.11.2021
Our ref: 2021/2594

Note from ARENA to the Board of the Faculty of Social Sciences.

Executive summary

ARENA's purpose, according to the regulations decided by the Faculty Board, is to be a leading academic environment on political integration and cooperation in Europe. By all qualitative and quantitative measures, ARENA delivers on its purpose. The academic achievements of ARENA have not been disputed. Instead, the discussions at the faculty, initiated by the Dean, have concerned ARENA's economic status. In her note to the faculty board in December 2020, the Dean perceived two main challenges: A historically generated debt of 8.5 mill NOK and the structural risk that comes with dependence on external funding. In this note, ARENA responds to these perceived challenges and makes suggestions for action by the Faculty Board.

First, with regards to the historical deficit, the note shows that ARENA has not generated any debt in the last seven years and that the level of the debt has been significantly reduced in the last two years (down to 4.8 mill NOK in 2021 according to the last available prognosis). Furthermore, we can show how the faculty benefits financially from ARENA through the taxation of its externally funded projects. The net contribution from ARENA to the faculty was about 1 mill NOK per year in 2019-2020, and the prognosis for 2021-2025 indicates an increase in that contribution to about 1.5 mill NOK per year.

Second, risk sharing is one of the faculty's basic functions. We strongly refute the proposition that ARENA's dependence on external funding constitutes an unacceptable risk to the faculty – taking into account both the level of the risk and what ARENA is giving back in terms of academic value and financial contributions. ARENA's track record when it comes to developing and managing externally funded research projects is outstanding. The key conditions that will restrain the future level of risk are met: (a) ARENA's research agenda will be increasingly relevant at the major funding institutions and (b) ARENA is continuously strengthening its capacity to compete for the available funds.

We make two proposals for action to the Faculty Board. The first proposal would provide stability, while the second proposal also includes a positive investment. Both options would be significant improvements for ARENA and the faculty compared to the present untenable state of uncertainty.



1. The stability option requires two action points:

- *ARENA is given a clean slate with regards to the seven-year-old historical debt.* In practice, the debt is a sunk cost to the faculty. ARENAs yearly net contribution, through the taxation of its externally funded projects, would justify a decision to start from anew.

- *The temporary compensation that the faculty has already allowed for 2020 for the incorrect rent is continued as long as ARENA is situated at Gaustadallén 30.* This correction would amount to 0.8 mill. NOK per year.

Motivation: The stability option would put an end to the uncertainty created by the back-and-forth at the faculty and the latent threat labelled “*dimensjonering*” hanging over ARENA. It would give us the commitment we need to go forward and develop the Centre. It can be pursued swiftly and within the financial framework of the faculty.

2. The positive investment option would include the stability option and add one additional element:

- *ARENA’s basic funding is increased with 1.5 mill NOK per year over a period of four years (2022-2025), in order to announce a new senior researcher position (SKO1183).*

Motivation: The lack of basic funding outside the externally funded projects makes it harder for ARENA to recruit new people outside the current and planned project portfolios. Support for a new position as a senior researcher would strengthen our capacity to develop projects in strategically important policy fields, such as the EUs climate policy and its consequences for Norway. The position would be dependent on external funding after the investment period of four years, thus contributing to new income to the faculty through its taxation of ARENA’s projects. The investment cost would match ARENA’s projected net contribution to the faculty during the same period.

The uncertainty created by the lack of a clear commitment weighs heavily on ARENA’s staff and hinders the positive development of the Centre. Not knowing under which conditions the faculty will allow ARENA to continue its activities affect decisions to invest in ARENA, in terms of time, funding and career opportunities, both among ARENA’s existing staff, potential recruitments and cooperation partners. We therefore urge the Faculty Board not to drag this process further out in time, but *to make a decision* on one of these options – or any other option it might prefer – at its meeting on December 16.

Background

This note responds to the request from the Dean of February 25, 2021, for a document outlining ARENA's "wishes and plans, including concrete solutions to the challenges facing the Centre, short-term and long-term".¹

The Dean's request came after a series of discussions and decisions at the faculty in recent years, including; on 22 March 2019, the decision by the Faculty Board to refute a proposal to reorganise ARENA under the Department of Political Science; on 27 September 2019, the adoption of new administrative regulations for ARENA, confirming ARENA's status as a centre at the Faculty of Social Sciences "without an end date"²; on June 11 2020, a request from the Faculty Board for "a viable and lasting solution for ARENA", which followed the Dean's reopening of discussions about ARENA's status at the faculty; in October 2020, the recruitment of a new Director of ARENA; on December 17 2020, further discussions about the economic status of ARENA based on a report prepared by the Faculty Director.

From ARENA's point of view, we appreciate the engagement in the Centre's viability and future status at the faculty. At the same time, the uncertainty created by the continuous back-and-forth and the lack of a clear commitment from the faculty is untenable. It weighs heavily on ARENA's staff and hinders the development of the Centre. This note outlines our analysis of the challenges raised by the Dean and what ARENA and the faculty can do to address them. It also emphasises the values ARENA brings to the faculty. The content and conclusions have been developed in consultation with the permanent staff at ARENA and discussed by the Board of ARENA on September 20 and November 22, 2021.

About ARENA

ARENA – Centre for European Studies is a multidisciplinary research centre at the UiO. Its purpose is to be "a leading academic environment on political integration and cooperation in Europe".³ ARENA's research focuses on the direction, dynamics and sustainability of the evolving multilevel European political order. Since ARENA started its activities in 1994, European political, economic, social and legal integration has deepened, both within the European Union (EU) and between Norway and the EU. The societal issues that Norwegians care most about – including welfare, climate change, migration, security, trade, human rights – are to an increasing extent determined by decisions made in Europe. ARENA responds to the need for a leading academic environment in

¹ Notat SV ARENA. Saksnr: 2021/2594, Dato: 25.02.2021

² «Sentret er opprettet uten sluttdato.» Administrasjonsreglement ved ARENA Senter for europaforskning. Vedtatt av fakultetsstyret 27.9.2019.

³ "ARENA Senter for europaforskning skal være et ledende fagmiljø om politisk integrasjon og samarbeid i Europa." Administrasjonsreglement ved ARENA Senter for europaforskning. Vedtatt av fakultetsstyret 27.9.2019.

Norway contributing with research-based knowledge that is necessary for navigating a changing European landscape.

ARENA's value and contribution to the Faculty of Social Sciences

By all qualitative and quantitative measures, ARENA has delivered on its core purpose to provide research excellence. In the most recent evaluation of Norwegian social sciences ARENA received the highest grade possible (5) and was celebrated as “a centre of excellence in Norway”⁴. According to the statistics from the Norwegian Centre for Research Data (NSD), ARENA's staff publishes more high-quality research than any other social science research unit in Norway, including the specialized research institutes outside the university sector.⁵

Besides delivering on its core purpose to provide research excellence on the evolving multilevel European order, ARENA also brings distinct values to the faculty relating to international research cooperation and visibility:

ARENA is *an exceptionally strong international brand*, which has been built up over almost three decades. In the large multidisciplinary field of European studies, ARENA is widely seen as a leading international player.⁶ The faculty benefits from owning this brand.

Part of the success in building ARENAs international reputation comes from the *coordination of large-scale collaborative projects within the EU Framework Programmes*. The Faculty of Social Sciences has so far coordinated six such projects, four of which have been developed and hosted by ARENA.⁷ The peer review evaluation of the most recently finished project (GLOBUS) was outstandingly positive.⁸ Furthermore, ARENA is the only unit at the faculty that has *coordinated a*

⁴ SAMEVAL 2018, p.203.

⁵ In 2020, with respect to publication points per person, ARENA was second only to the geoscience-physics centre NJORD. ARENA's publication points per person and year in the last five years (2016-2020) is 3.72. The average score for the other six institutes at the Faculty of Social Sciences during the same time period is 1.71. Figures retained from *NSDs Database for statistikk om høgre utdanning*: https://dbh.nsd.uib.no/statistikk/kategori_publiseringer.action.

⁶ “Since its inception, the ARENA Centre has focused and specialised in the themes of European Integration and on Norway's role and prospects within it. The focus is relatively narrow and well defined, and the group strives to maintain the high profile and international recognition it has achieved in this area. ARENA is one of the most renowned places for such studies. It is a leading centre in this area.” (“SAMEVAL, Evaluation of the Social Sciences in Norway. Report from Panel 3 – Political Science, *The Research Council of Norway* 2018, p.202.)

⁷ The programmes that have been coordinated at ARENA are CIDEL (FP5), RECON (FP6), GLOBUS (H2020), EU3D (H2020). The other two programmes at the Faculty are EUMargins (FP7) and LifeBrain (H2020).

⁸ “The project has delivered exceptional results with significant immediate or potential impact”, European Commission, GENERAL PROJECT REVIEW CONSOLIDATED REPORT, Ref. Ares(2020)5448421 - 13/10/2020, p.2.

Marie Skłodowska-Curie Research Network Innovative Training Network (MSCA-ITN), which is part of the excellence pillar of Horizon (PLATO).

Why is it of value to the faculty to have an interdisciplinary centre that—besides overperforming in terms of publications and continuously succeeding in funding bids at the NFR, including the most prestigious calls—also specialises in the coordination of large-scale collaborative EU projects? These projects underpin international cooperation and come with high visibility around Europe. They also correspond to the strategic priorities of UiO. According to UiO's *Årsplan 2020-2021*, UiO is doing well in some parts of the framework programmes, but underperforms in others. The Rector has urged the units to strengthen their participation “within the whole breadth of the programme” and clarified that he expects from the units that they “make use of the possibilities for increased quality that lies in the large European collaborative projects and in the ERC.”⁹ The Faculty of Social Sciences is increasingly successful with regards to ERC, but without ARENA its track record when it comes to the other parts of the framework programmes (MSCA-ITN, Thematic calls) would be rather underwhelming.

Furthermore, ARENA contributes financially to the faculty through the taxation of its externally funded projects. We will come back to that in the next section.

So, what is the problem?

The achievements of ARENA in terms of research excellence, international reputation and coordination of EU programs have not been disputed. Instead, the discussions at the faculty have concerned ARENA's organisational and economic status. In her note to the faculty board in December 2020, the Dean perceived two challenges with regards to ARENA's economic status at the faculty.¹⁰

1. A historically generated deficit of 8.5 million NOK.
2. ARENA's dependence on external funding, which poses an economic risk to the rest of the faculty.

We assume that these are the key challenges that prompted the reopening of the Faculty Board's discussions of ARENA in 2020, and will therefore address them in this note as requested by the Dean. To that list, we will add a third challenge that is acutely experienced at ARENA.

3. Prolonged uncertainty about the faculty's commitment with regards to ARENA, which effectively hinders the development of the Centre and negatively impacts the well-being of its staff.

⁹ Årsplan 2020-2021, Universitetet i Oslo, p.6.

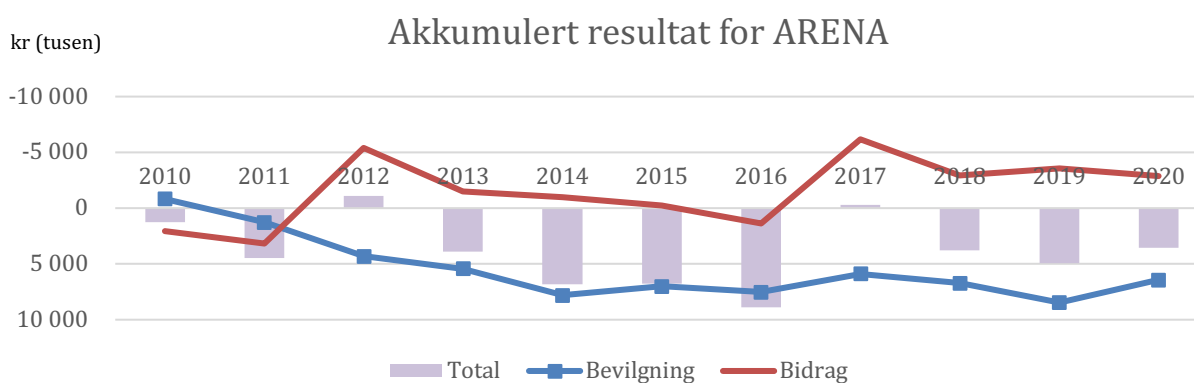
¹⁰ Notat fra Dekanen til Fakultetsstyret, D-sak 1, 17. desember 2020.

Below we discuss these challenges in turn.

Challenge no 1. The historical deficit

ARENA generated a deficit (*merforbruk*) in relation to the faculty during the years 2010-2014 of about 8 million NOK. As demonstrated in Figure 1, the level of the accumulated debt has remained relatively stable since then. ARENA has had roughly balanced results since 2014, without any major fluctuations.

Figure 1. ARENA's *merforbruk*



Note: The blue line “*Bevilgning*” shows the value of the accumulated debt (*merforbruk*).

In the last years, ARENA has worked hard to reduce costs while at the same time delivering on its commitments. The number of administrative staff has been reduced from 5.5 to 3.7 in the last two years. Partly due to the cutbacks (and partly due to the pandemic) 2020 saw a reduction of the accumulated debt by 25 percent (from 8.5 to 6.4 million NOK). The latest available prognosis for 2021 foresaw a further significant reduction to 4.8 mill.¹¹

The long-term prognosis foresees continued reductions in the accumulated debt.¹² This prognosis is based on the following assumptions with regards to external funding in the period 2021-2025:

- One research project from NFRs EUROPA-program (12 mill NOK, start 2022).
- One large interdisciplinary program (Fellesløftet) (25 mill NOK, start 2022)
- One MSCA-ITN (1.1 mill EURO, start 2022)

¹¹ Due to the problems caused by the new accounting system (DFØ) the latest figures we have available are from May 2021. See appendix 1: Regnskapsrapport 1. tertial og oppdatert prognose 18.05.2021.

¹² Ibid

- One thematic Horizon program as coordinator (0.8 mill EURO, start 2023)

These are ambitious, but realistic assumptions. As regards the first two projects, ARENA has already in 2021 received and started one research project from NFRs EUROPA program (SINGLEMARKET) and received information that our large interdisciplinary project (ENROL) – which is a cooperation with the Department of Public and International Law at UiO – has been prioritized for funding both by UiO and NFR. The application for a MSCA-ITN (AGORA) received very high points in the previous Horizon call in 2019 (89.4/100) and has recently been fine-tuned and resubmitted to the new call on November 16, 2021. Our next application for a coordinated thematic Horizon program will focus on the call “Global governance for a world in transition” (HORIZON-CL2-2022-DEMOCRACY-01-09), with a deadline in April 2022. We have already built a strong project team together with partners in the UK and are in the process of setting up the international consortium that is required.

Besides these four projects that form the basis for the budget prognosis, we have also submitted two project applications as partners for Horizon calls that were announced in October 2021. We are also foreseeing several other applications in the coming years (including both NFR and Horizon Europe). Thus, even if one of the two projects that are assumed in the budget, and that have not yet been decided, fails to receive funding, we are still in a very good position to compensate that with other projects.

The historical deficit is undeniably still in the accounts, although decreasingly so. However, when evaluating ARENA from an economic perspective, one should take note of the fact that the accumulation of debt stopped several years ago. *The Centre has not accumulated any additional debt in the last seven years.* To the contrary, as already noted, the trend and prognosis point at further reductions of the accumulated debt in the coming years.

Furthermore, the terminology used when speaking of an accumulated debt (*merforbruk*) may give the impression that ARENA has been straining the faculty’s resources. This is not the case. To the contrary, the faculty benefits economically every year from the taxation of the externally funded projects that ARENA generates through its successful bids at the Norwegian and European research funding institutions.

In preparing this note, we asked the faculty administration to calculate what the net financial contribution of ARENA to the faculty is, by performing a thought experiment: What would happen to the faculty financially if ARENA - with its externally funded projects - was taken out of the calculus? The result for the last two years (2019-2020) would be a net loss for the faculty of about 1 million NOK per year. The prognosis for the period 2021-2025 indicates that this loss would increase to about 1.5 million NOK per year. *These are resources that the faculty gains every year from the fact that ARENA bases its activities on externally funded projects.*¹³

¹³ See Appendix 2: Note on ARENA’s financial contribution to the faculty.

Finally, when analyzing ARENA's current accounts, the Faculty Board should also consider the unfortunate extra costs that have burdened ARENA after the move to the new localities at Gaustadallén in 2019. The short story is that ARENA is renting second tier localities, according to UiO standards, outside Blindern, while paying the price of first tier localities. This amounts to ca 0.8 mill NOK per year in excess. The faculty compensated ARENA for this inaccurate pricing in 2020, but has not yet committed to any further compensation.¹⁴

In sum, the challenge facing ARENA and the faculty with regards to the historical deficit may be significant from an accountant's perspective. However, the deficit has been reduced significantly in the last years and ARENA has a realistic plan for further reductions. Furthermore, the faculty benefits economically from ARENA's activities. Any measures taken to address this first perceived challenge should reflect these realities.

Challenge no 2. ARENA's dependence on external funding poses an economic risk to the faculty

The faculty of social sciences includes five departments and two centers that are pooling resources and sharing risks. Risk sharing allows for innovation, while also creating interdependences. The economic conditions for the two research centers, ARENA and TIK (Centre for Technology, Innovation and Culture) are somewhat different compared to the departments. ARENA and TIK are largely dependent on external funding for their activities. ARENA does not receive any basic funding from the faculty besides three PhD-students and the RBO¹⁵ that is automatically generated by ARENA's externally funded projects. Thus, if ARENA would fail in its project bids the economic basis for its activities would disappear.

As already discussed, except for the limited deficit generated in the period 2010-2014¹⁶, ARENA has managed to raise the funding necessary to keep its activities going and delivering on its mission for more than 25 years now. The faculty benefits economically every year from the taxation of ARENA's externally funded projects. Is there any reason to think that this will not be the case in the future?

There are two main conditions that must hold for ARENA to continue to be successful in its bids for project funding at NFR, Horizon and other funding sources: (1) ARENA's research agenda must continue to be considered relevant and worthy of funding by the major funding institutions. (2)

¹⁴ ARENA's localities at Gaustadallén 30 (GA19) are classified by UiO Eiendomsavdelning as "moderat tilstandsgrad", which for 2021 implies a rent of 1244 NOK per m². For ARENA that would mean 1244*1547m²=1.9 mill NOK. Instead, ARENA is now required to pay 2.7 mill NOK, which amounts to the higher price level "høy tilstandsgrad" of 1741 NOK per m². <https://www.uio.no/for-ansatte/drift/internhusleie/leiepriser-beregning-betaling/hvordan-beregnes-internhusleien/>

¹⁵ Resultatbasert Omfordeling. See e.g.

<https://www.regjeringen.no/globalassets/upload/kd/vedlegg/uh/finansiering.pdf>

¹⁶ There are different views at ARENA and the faculty about why this situation occurred and how it should have been treated at the time. We will refrain from opening up that can of worms here as it is unlikely to contribute to constructive solutions to the identified challenges.

ARENAs staff must continue to have the skills and capacity to develop and manage research projects of the highest international quality in accordance with that agenda. We address these two conditions in turn.

(1) The supply of external funding relevant to ARENA's research agenda

The societal relevance of ARENAs key study object – the evolving multilevel European political order – is more likely to increase than to decrease in the longer term, both in Norway, in Europe and globally.

Growing international interdependence has continuously pushed European states to pool and delegate sovereignty into the EU institutions in the last decades. Partly as a consequence, in parallel to the deepening of European integration, an increasing politicization of the evolving European order has occurred, with Brexit as one striking example. These trends profoundly affect European societies. As long as *European societies* continue to grow closer ties in terms of legal, social, political and economic institutions and interactions, there will be a growing demand on the *European social sciences* to engage in research that aims at understanding the European and multilevel mechanisms behind these processes.

The new Work Programme for Horizon Europe (“Culture, creativity and inclusive society”) demonstrates this clearly. Many of the calls published for 2021 and 2022 has a strong focus on *European conditions* for addressing societal challenges. Calls on “Representative democracy in flux” (HORIZON-CL2-2022-DEMOCRACY-01-08), “The future of democracy and civic participation” (HORIZON-CL2-2022-DEMOCRACY-01-02), “The future of liberal democracy in Europe” (HORIZON-CL2-2021-DEMOCRACY-01-01) and “Global governance for a world in transition” (HORIZON-CL2-2022-DEMOCRACY-01-09) requires researchers to include “comparative approaches at EU level”, to “cover different scales of participation, from local to national, European and even global” and to focus on the “European Union’s role in leading the transformation and defence of multilateralism”.¹⁷

These are calls that are very much in ARENA’s sphere of interest. At the time of writing, ARENA has applications submitted and work ongoing for three of these calls, both as a partner and coordinator.

There is also reason to believe that the demand for social science research on Norway’s relationship to the evolving European order will become increasingly salient in the coming years. European law and institutions in areas such as climate policy, migration and trade will have a tremendous impact on Norwegian society, demonstrated for instance by the EU’s new Green Deal and the much-debated NAV scandal. The EUROPA program at NFR (ca 40 MNOK per year) continues to be an important source of funding for ARENA. Since 2007, ARENA has received six of the nineteen projects that have

¹⁷ Horizon Europe Work Programme 2021-2022. 5. Culture, creativity and inclusive society (European Commission Decision C(2021)4200 of 15 June 2021)

been funded through this program. As a consequence of the stronger role of European institutions in many societal areas, other program portfolios at the NFR are also becoming increasingly relevant for ARENA, including DEMOS, VAM, UTENRIKS, SAMKUL and KULMEDIA. Other institutions that are likely to be willing to fund research on Norway and European integration include NORFACE, HERA and EEA Grants. Overall, the long-term trend in Norway and Europe is clearly in the direction of more rather than less of external funding of research.

In sum, the supply of research funding for themes relevant to ARENA is more likely to increase than to decrease in the foreseeable future.

(2) ARENA's capacity to receive and manage high quality research projects

There are at least three reasons to think that ARENA will continue to be an attractive recipient of research funding, as it has been for many years.

First, *ARENA's research agenda* is being developed with the existing funding opportunities in mind. The administrative regulations set by the Faculty Board defines ARENA's research agenda as focussing on "political integration and cooperation in Europe".¹⁸ ARENA's Annual Plan states that ARENA's specific research agenda should be evolving over time, based on the skills and creative ideas of ARENA's researchers and the societal challenges raised by the developing European order.¹⁹ It should be continuously evaluated, with the overall vision in mind of providing innovative and credible answers to significant questions relating to the evolving multilevel European political order. Distinctive features of ARENA's research should include a combination of normative and positive theory, methodologically sound research designs, and interdisciplinary approaches to European societal challenges.

In the medium term, ARENA will focus on the following research themes (ongoing and planned projects' acronyms in parentheses): Differentiated European integration and the Norwegian model (EU3D, COMPLEX), the EU's rule of law crisis (ENROL, IUROPA), governing Europe's common market (SINGLEMARKETS, TIGRE), the EU and the rescue of international multilateralism (RESCUE, ReTREAT), post truth politics and the changing European public sphere (AGORA), the politics and administration of European law (IUROPA, COMPLEX).

Second, with its long experience of developing and managing externally funded projects, *ARENA's staff* is well suited and prepared to compete for these funds. As evidenced by the SAMEVAL evaluation, ARENA's senior academic staff are internationally leading in their fields. They have long experience of developing and managing externally funded research projects and broad networks with

¹⁸ "ARENA Senter for europaforskning skal være et ledende fagmiljø om politisk integrasjon og samarbeid i Europa." Administrasjonsreglement ved ARENA Senter for europaforskning. Vedtatt av fakultetsstyret 27.9.2019.

¹⁹ ARENA Annual Plan 2022-2024.

collaborative partners in Norway, Europe and globally. ARENA has also made strategic recruitments of new project leaders in the last year that have paid off in terms of successful funding bids, including the projects SINGLEMARKETS (PI Craig Parsons) and ENROL (PI Daniel Naurin).

The long experience with relying on external funding has incentivised ARENA to develop a distinctive way of organizing research, with a strong integration between researchers and administrative staff. ARENA's administrative staff is uniquely qualified in working together with the academic staff on project applications and with managing and reporting on large scale projects. ARENA is recognized in Europe as a highly competent coordinator of thematic Horizon projects, which makes us attractive as partners and credible as funding bidders in the EU system.

Third, ARENA pursues a *systematic work on strategy* to increase our ability to make the right priorities and to develop and sharpen routines and processes. In the last year, under the leadership of the new Centre Director and Board, ARENA has engaged in strategic work aiming at development of the Centre, including workshops and staff meetings on topics such as ARENA's research agenda, funding strategy, approaches to inter- and multi-disciplinarity, publication strategy, teaching and further education, communication and societal impact. This work is ongoing.²⁰ The purpose is to strengthen ARENA's ability to maintain its position as a leading academic environment on political integration and cooperation in Europe, by setting in place routines, procedures and strategies that will further increase our competitiveness in the race for external research funding.

In sum, we are confident that the two key conditions that will determine whether ARENA will continue to be successful in its bids for project funding – and thus be able to continue to contribute both academically and financially to the faculty – are in place: (1) ARENA's research agenda will most likely be considered increasingly relevant at the major funding institutions and (2) ARENA is strengthening even further its capacity to compete for these funds.

3. Prolonged uncertainty about ARENA's status

A third important challenge facing ARENA is the uncertainty with regards to ARENA's status, created by the lack of a clear commitment from the faculty. The uncertainty creates problems with regards to the development of the Centre. Not knowing under which conditions the faculty will allow ARENA to continue its activities affect decisions to invest in ARENA, in terms of time, funding and career opportunities, both among ARENA's existing staff, potential recruitments and cooperation partners.

The long period of uncertainty also weighs negatively on the well-being of ARENA's staff. The extra pressure created by the back-and-forth at the faculty has been a theme in the work environment

²⁰ ARENA Annual Plan 2022-2024.

process (ARK) that ARENA has engaged in during the fall of 2021. The ARK survey shows that ARENA's staff is more negatively impacted by stress and a negative work-life balance than the average personnel at the Faculty of Social Sciences. Handling stress was selected by the staff as the most important area for improvements.

What can ARENA do?

ARENA's main source of funding will continue to be research projects funded by Norwegian and European research funding institutions. The supply of research funding available for ARENA's research agenda at these institutions is sufficient for ARENA to operate under the current financial model. To maintain our competitiveness in these calls, ARENA's leadership and board is committed to continuously developing the Centre, including evaluating our research agenda, making strategic recruitments, sharpening our funding and publication strategy and improving our communication and outreach.

Arena will also continue to seek out other funding sources. For example, ARENA already receives 1 million NOK per year from the Ministry of Local Government and Modernisation (KMD). With a clear commitment from the faculty as to the status of ARENA, it is possible that we can achieve similar arrangements with other units.

It should be noted that ARENA has already suggested to the Faculty Board that we would be interested in developing an interdisciplinary and internationally competitive Master program in European Studies. Such a programme would most likely be highly attractive to students and fill a void in the Norwegian educational system. It would provide ARENA with some basic income independent of external funding and offer its staff teaching opportunities, which is particularly important to younger researchers who want to pursue an academic career. It would also correspond with the faculty's stated ambitions to encourage precisely such interdisciplinary educational initiatives²¹ and the ambitions of UiO within Circle U²². However, since the faculty leadership has clearly indicated that they are not interested in supporting ARENA in developing such a program, we have put that idea on ice for the time being.

Generally, ARENA's staff has expressed strong interest in contributing more to the teaching at the faculty, which would have the additional benefit of further integrating ARENA with the other departments. ARENA is also investigating opportunities for engaging in further education (EVU).

In sum, ARENA's main response to the challenges perceived by the Dean is to continue to deliver on our purpose; to identify significant research problems within our field, to successfully develop and manage externally funded research projects and to publish and communicate our findings to an

²¹ Tiltak: "Oppmuntre fagmiljøer til å etablere undervisningsaktiviteter på tvers av fag og Fakulteter". *Det samfunnsvitenskapelige fakultet Årsplan 2021-2023*, versjon 17.11.2020, p.3.

²² <https://www.uio.no/om/aktuelt/aktuelle-saker/2020/circle-u.-er-offisielt-i-gang.html>

academic and public audience. In this way, ARENA will remain both a source of income and academic value to the faculty.

What can the Faculty Board do?

We make two proposals for action to the Faculty Board. The first proposal would provide stability, while the second proposal also includes a positive investment. Both options would be significant improvements for ARENA and the faculty compared to the present untenable state of uncertainty.

1. The stability option requires two action points:

- *ARENA is given a clean slate with regards to the seven-year-old historical debt.* In practice, the debt is a sunk cost to the faculty. ARENA's yearly net contribution, through the taxation of its externally funded projects, would justify a decision to start from anew.

- *The temporary compensation that the faculty has already allowed for 2020 for the incorrect rent is continued as long as ARENA is situated at Gaustadallén 30.* This correction would amount to 0.8 mill. NOK per year.

Motivation: The stability option would put an end to the uncertainty created by the back-and-forth at the faculty and the latent threat labelled "*dimensjonering*" hanging over ARENA. It would give us the commitment we need to go forward and develop the Centre. It can be pursued swiftly and within the financial framework of the faculty.

2. The positive investment option would include the stability option and add one additional element:

- *ARENA's basic funding is increased with 1.5 mill NOK per year over a period of four years (2022-2025), in order to announce a new senior researcher position (SKO1183).*

Motivation: The lack of basic funding outside the externally funded projects makes it harder for ARENA to recruit new people outside the current and planned project portfolios. Support for a new position as a senior researcher would strengthen our capacity to develop projects in strategically important policy fields, such as the EU's climate policy and its consequences for Norway. The position would be dependent on external funding after the investment period of four years, thus contributing to new income to the faculty through its taxation of ARENA's projects. The investment cost would match ARENA's projected net contribution to the faculty during the same period.

Finally, the uncertainty created by the lack of a clear commitment weighs heavily on ARENA's staff and hinders the positive development of the Centre. Not knowing under which conditions the faculty will allow ARENA to continue its activities affect decisions to invest in ARENA, in terms of time, funding and career opportunities, both among ARENA's existing staff, potential recruitments and cooperation partners. We therefore urge the Faculty Board not to drag this process further out in time, but *to make a decision* on one of these options – or any other option it might prefer – at its meeting on December 16.

Appendices

App. 1. Regnskapsrapport 1. tertial og oppdatert prognose 18.05.2021

App. 2. Note on ARENAs financial contribution to the faculty

Oslo, November 22, 2021

Daniel Naurin

Director, ARENA - Centre for European Studies