

How do you think private companies are making money out of the European refugee crisis?

- Read the first part of the article and find out how brothers Kristian and Roger Adolfsen and ORS services are profiting from the crisis.

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Making Millions Off the Refugee Crisis

For Kristian Adolfsen, 55, and his brother, Roger, 51, refugees represent a huge opportunity. They run the Oslo-based company, Hero Norway, the leader of a burgeoning Scandinavian industry that charges the Norwegian and Swedish governments a fixed fee — \$31 to \$75 per person per night in Norway — to house and feed refugees.

They have 90 such centers in Norway and 10 more in Sweden.

For 2015, Hero Norway's revenue was \$63 million. In the rest of Europe, where asylum seekers typically are cared for by nongovernmental organizations such as the Red Cross, only one for-profit is larger than the Adolfsens' operation, ORS Services, a Swiss company that in 2014 generated \$99 million in profit caring for refugees

in Switzerland, Austria, and Germany. (ORS won't disclose its 2015 profits.)



- Are for-profit companies involved in the refugee crisis where you live?

Read the next part of the article and find out:

- what has helped the Adolfsens' success
- how they entered the refugee sector
- what the Norwegian Directorate of Immigration (UDI) is calling for
- what percentage of Norway's refugees for-profits care for
- how one entrepreneur turned a \$10,000 a month rental into \$460,000 a month revenue
- what some refugees have complained about



The Adolfsens have succeeded in part because they have a background in hospitality. In the three decades since they founded Adolfsen Group, Kristian and Roger have built an \$800 million-a-year network of businesses that includes preschools and nursing homes, as well as hotels, apartment buildings,

cruise lines, and ski resorts. The two entered the refugee sector in May 2014, when they paid a Danish company, ISS Facility Services, \$22 million for Hero Norway, a 27-year-old company that ran 32 refugee centers.

At first the Adolfsens set their sights on Sweden. Almost immediately, though,

refugee arrivals in Norway exploded, and they've kept arriving since. The Norwegian Directorate of Immigration (UDI) can't cope with the influx, so it's turning to entrepreneurs, desperately, lest more refugees sleep in the streets. "UDI calls for capitalists," blared a recent headline in Oslo's Aftenposten newspaper.

For-profits now care for about 90 percent of Norway's refugees. A gold rush has

commenced, and it's also a bit of a circus. Just outside Oslo, a savvy entrepreneur named Ola Moe recently rented a vacant hospital for \$10,000 a month, did minimal upgrades, and began charging the government \$460,000 a month to house and feed 200 refugees. At a refugee center in Southern Norway, 50 resident asylum seekers went on a two-hour march in November to protest the poor food,

prompting one politician, an Iranian Norwegian named Mazyar Keshvari, to proclaim, "these ungrateful people should immediately leave the country."



Does the situation in Norway sound like a circus to you?

What concerns do you think people have about the monetization of the refugee crisis and how is it seen by the political left? Where do you think things have gone wrong with entrepreneurs? **Read the next part of the article and check your ideas.**



Amid such controversy, the Adolfsens appear like poised professionals. In press photographs, they flash can-do smiles as they sit before gleaming conference tables in airy office towers. One Oslo paper, Dagens Naeringsliv, has called them "Norway's least known billionaires." Yet concerns remain. In their monetization of the refugee crisis, will the companies

provide superior, more efficient havens, or will they cut corners and skimp on services to improve profits? And does their bottom-line approach threaten a depth of caring that transcends hard cash?

It's apparently already happened. From 2006 to 2014, as reported in the Oslo paper Ny Tid, one of Norway's largest for-profit refugee care providers, Link, habitually broke binding budget promises to the Norwegian government. In 2014, Link, which operates 14 refugee centers, signed on to a budget that would cap its profits at \$230,000. By skimping on


promised services — child care, for instance, homework help, and the supervision of people with disabilities — it ended up \$1.15 million in the black.

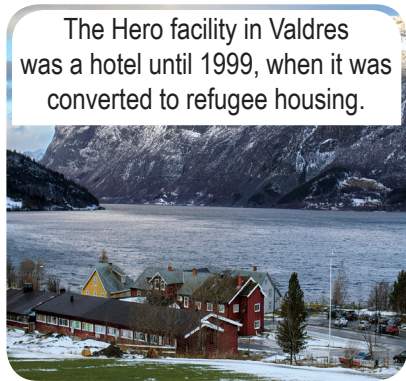
On Norway's political left, the Adolfsens are regarded as distasteful and greedy, especially by Linn Harning, deputy director of Norway's Campaign for the Welfare State and the author of a 2015 book, Velferdsprofitorene (The Welfare Profiteers). In early December, she helped Norway's Socialist Party and Social Democratic Party call in Parliament for a study looking into the feasibility of banning profiteering in refugee care.

How would you describe the monetization of the refugee crisis?

 Discuss these questions:

- What do you think Brad Henderson of the United Nations High Commission on Refugees thinks about for-profits getting involved in the refugee crisis?
- What about Marte Gerhardsen, the director of Oslo-based Tankesmien Agenda, a think tank closely aligned with Norway's Labor Party?
- What do you think the prospects for Hero Norway's continued success are?

 Read the final part of the article and check your ideas.



The Hero facility in Valdres was a hotel until 1999, when it was converted to refugee housing.

But Brad Henderson of the United Nations High Commission on Refugees notes that in recent months NGO care providers have frequently collaborated with for-profits to meet the needs of asylum seekers, stepping in to provide phone and internet service, as well as to charter flights from Syria and elsewhere. He's carefully optimistic about the profiteers. They can "create a long-lasting, mutually beneficial partnership with

UNHCR if they can be aligned to shared goals and values," says Henderson, who is UNHCR's European lead on fostering relations with for-profits. "They can bring new ideas and vital energy to the refugee cause."

It's not clear whether others will embrace or reject the Adolfsens' refugee riches, but several insiders predict that Norway's Parliament will allow refugee entrepreneurs to continue but will cap their earnings. "I wish we could operate with only NGOs and municipalities running refugee centers," says Marte Gerhardsen, the director of Oslo-based Tankesmien Agenda, a think tank closely aligned with Norway's Labor Party, "but right now, right here, we need Hero, and it's totally illogical to say they can't

make profits. Gerhardsen argues that private operators be limited to a 3 percent profit margin. The Adolfsens claim that theirs is 3.5 percent, but Herning calls that figure highly unlikely. "All the other refugee companies that I've looked at have a much higher profit margin," she says.

Next year, Hero Norway hopes to open 5 to 10 refugee centers in Sweden. The campaign could be spotted with difficulties. In Sweden, arsonists have torched more than 40 centers since July. Still, the prospects for Hero Norway's continued success are high. Neither Sweden nor Norway has plans to stanch the flow of newcomers, and the Swedish government has said it will spend up to 30 percent of its 2016 foreign aid budget on resettling refugees.

 Would you have any moral issues about making money from the refugee crisis?

 Find synonyms in the article for these words and expressions:

Section 1

- 1 growing or developing quickly
- 2 income from business activities or taxes

Section 2


- 3 someone who starts businesses and makes business deals

- 4 someone who is successful in business or who invests money in businesses for profit
- 5 a situation in which a lot of people suddenly become involved in a particular activity because they hope to make a lot of money

Section 3

- 6 the making of money from (something)
- 7 connected to the amount of money that a business makes or loses
- 8 money in the form of coins or notes, rather than cheques or credit cards
- 9 the amount of money a person or organization has to spend on something
- 10 make large profits by charging high prices for things that people need and cannot get anywhere else

 Write sentences of your own with the words and expressions.

 What does the expression in this extract from the article mean?

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At first the Adolfsens **set their sights on** Sweden.

There are other expressions with **sight** in English. What do you think these mean:



- 1 at first sight
- 2 in sight
- 3 on sight
- 4 not by a long sight
- 5 sight unseen
- 6 out of sight

 Match the expressions to these definitions:

- ___ definitely not
- ___ visible; close to being achieved or realized
- ___ as soon as someone or something has been seen
- ___ without previous examination
- ___ at the first glimpse, on the first impression
- ___ not visible; (informal) fantastic, marvellous

 Complete these sentences with the expressions:

- 1 After three years of hard work the end is finally _____.
- 2 The police were given instructions to shoot the terrorist _____.
- 3 Five minutes after the rocket was launched it was _____.
- 4 "Have you finished painting your house?" "_____". There's a lot more to do."
- 5 _____ I thought the house was small, but once we got inside we realised it was enormous.
- 6 I bought the car on the Internet _____, so I didn't really know what it was going to be like until it arrived.