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# Polish Community in Norway Opportunities and Challenges

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Republic of Poland



EMBASSY OF THE REPUBLIC OF POLAND IN OSLO  
**POLISH COMMUNITY IN NORWAY**  
**Opportunities and Challenges**

*Authors:*

prof. dr. hab. Włodzimierz Anioł, prof. Nina Witoszek, dr hab. Maciej Duszczyk,  
dr. Elżbieta Czapka, dr. Sławomir Hinc, Lars Berntsen, Sebastian Garstecki,  
Aleksandra Janaczyk, Tomasz Chałupa, Aureliusz Właz, Polish Connection Sp. z o.o.

*Editor:*

Małgorzata Mrozińska-Kruk

*Technical editor and copy designer:*

Stämpfli Polska Sp. z o.o.  
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# INTRODUCTION

Dear Readers,

Polish citizens constitute the largest foreign national group residing in Norway. Current research indicates that they are in general well integrated and greatly contribute to the Norwegian economy and society. Nevertheless, large-scale Polish immigration to Norway, triggered in particular by the European Union enlargement in 2004, is still a relatively unexplored phenomenon. Important questions arise as to the origins and nature of this immigration, its perspectives, policies needed to accommodate it properly, as well as its implications for Polish-Norwegian relations.

This collection of materials includes the works of both Polish and Norwegian authors within the areas of economy, sociology and law. The publication intends to shed light on the Polish community in Norway and present the principal challenges and opportunities related to the presence of Polish citizens in Norway and various forms of their activity.

The book also forms basis for discussion during the conference on the same subject, organized by the Embassy of the Republic of Poland in Oslo on 20 November 2014 and supported by Norway Grants 2009–2014.

Stefan Czmur  
Ambassador of the Republic of Poland  
to the Kingdom of Norway



# 1. POLES IN NORWAY – SOCIAL CHALLENGES

## 1.1. Poland's approach to emigration and immigration in the context of membership in the European Union

(by dr hab. Maciej Duszczuk, Institute of Social Policy, Centre of Migration Research, University of Warsaw)

### Introduction

Ten years that have passed since Poland's accession to the European Union have inspired several assessments of the costs and benefits of the membership in the Community. One of the topics giving rise to contradictory opinions is the freedom of movement of persons, which have become a catalyst for employment migration of a significant number of Polish workers, who decided to search for and undertake employment in other member states. On the one hand the benefits are highlighted, such as reduction of unemployment or migrant remittances which improved the living conditions of the family members who stayed in Poland. On the other what is emphasised are the costs, which will emerge if most emigrants fail to return to Poland. This paper reviews the most recent statistics demonstrating the scale of emigration from Poland and presents the evolution of the approach to migration processes on the part of the Polish government.

### Evolution of the approach to employment migrations after Poland's accession to the European Union

During negotiations concerning the conditions under which Poland joined the European Union, ensuring an unrestricted access to the labour markets of other

member states for the Poles under the free movement of workers regime was one of the top priorities (Position... 1999). Under eventually negotiated transitional arrangement, member states could apply restriction with respect to Poles' access to their labour markets for a maximum period of seven years. At the same time, and this was a significant novelty not applied during previous enlargements of the European Union, a solution was adopted whereby member states could renounce the restrictions and open their labour markets at any time. Already upon Poland's accession to the EU, the United Kingdom, Ireland and Sweden took advantage of this facility. In the following years other states followed their example. Only Germany and Austria maintained restrictions for the maximum period of seven years. Throughout the entire period when transitional arrangements were in force, Poland exerted pressure on governments of particular member states to renounce restrictions. By doing this Poland supported the European Commission, which asserted that transitional periods were unnecessary and disturbed the functioning of the single market (Communication ... 2006).

The position of Poland did not change despite significant emigration of Poles that took place after 1 May 2004. The data shown in Table No 1 suggest that ten years after Poland's accession to the EU, the number of Poles living and working in other member states increased by over 1.3 million. Precise assessment of the scale of emigration after 1 May 2004 is very difficult. Estimates, rather than verifiable data, are presented. The data in Table No 1 demonstrates that the numbers concerning the scale of emigration provided by the Central Statistical Office and Eurostat differed significantly in the first years after the enlargement. Presently the numbers of emigrants from Poland living in other EU member states provided by both institutions are similar.

**Table No 1. The scale of emigration from Poland (data from the Central Statistical Office and Eurostat) as of 1 January of a given year.**

	2004	2006	2008	2010	2012	2013
Central Statistical Office	451,000 (data from 2002 National Census of Population)	1,170,000	1,860,000	1,690,000	1,670,000	1,720,000
Eurostat	580,000	776,000	1,328,000	1,497,000	1,798,000	1,883,000

Source: Central Statistical Office, *Information about the size and directions of Polish emigration in the years period 2004–2012*, Eurostat, *Population by sex, age group and citizenship*.

The analysis of Eurostat data allows also for demonstration of other indices illustrating post-accession emigrations of Poles. Table No. 2 suggests that the percentage of emigrants in the entire population approached 5%, and that the United Kingdom is main destination member state for Poles.



**Table No 2: Emigration of Poles as of 1 January 2013.**

Scale of emigration	Population size	Percentage of emigrants	Main receiving state
1,883,000	38,533,000	4.9 per cent	The United Kingdom

Source: Eurostat, *Population by sex, age group and citizenship*.

In the context of emigration scale, one can ask the question of whether perhaps Poland should revise its approach and support initiatives submitted e.g. by the United Kingdom, which aim to restrict migration within the EU. This would be tantamount to the adoption of an approach that the costs borne by Poland with respect to emigration are increasing. So far the Polish government has been unambiguously opposed to any restrictions under the free movement of workers and within the Schengen area. As an example, the government has clearly opposed the introduction of changes allowing member states to restore border checks without prior notification to the European Commission. Moreover, in its positions Poland has asserted that free movement of workers brings unequivocal benefits to the European Union and therefore it should not be restricted.

A good example of the Polish approach to employment migrations are the statements of Prime Minister Donald Tusk after a speech by UK Prime Minister David Cameron, who in January 2014 negatively assessed the decision on opening of the British labour market to Poles and he asserted that the costs of immigration to the UK outweighed the benefits. Donald Tusk unequivocally challenged Cameron's approach and called his statements populist. The position of the Polish Prime Minister shows that despite the massive scale of emigration, Poland has not changed its position and treats free movement of workers as a cornerstone of the EU. The statements made by Donald Tusk at the press conference after his election to the position of the European Council President seem very interesting in this context, where he announced readiness for a discussion about introduction of restrictions in free movement of workers in the part related to welfare benefits. Unfortunately as of now we have no details of what those restrictions might consist in.

Despite unchanged position as regards employment migration within the EU and treatment of free movement of workers as one of the fundamental rights arising under EU citizenship, the Polish government saw challenges connected with emigration. Many position papers and government strategies contained descriptions of challenges related to larger scale of the emigration of Poles than expected (e.g. Poland 2030... 2009). The fear of transformation of temporary emigration into permanent one results, among other things, in the development and implementation of a dedicated programme targeted at emigrants, and aimed to facilitate potential returns to Poland after a temporary stay abroad. In its assumptions *powroty.gov.pl*

programme was not meant to encourage Poles to return. This is an information portal allowing to resolve the problems of emigrants, who for various reasons decide to return to Poland. Despite some perturbations with its functioning, it is still in operation and is one of the longest functioning governmental programmes of support for the citizens deployed in Poland. Since its establishment, over 20 thousand individualised answers were provided to the questions concerning tax, social and financial law asked by Poles who encountered various bureaucratic problems related to return to Poland. The government programme can be assessed as moderately successful, because it delivers against its expectations, i.e. it supports Poles in resolution of bureaucratic problems related to returns. Unfortunately the information on the website has not been updated for a long time.

The significant interest of the Polish government in return migrations follow also from the programmes of cooperation with the Polish Diaspora and Poles abroad developed by the Ministry of Foreign Affairs. As an example, the newest programme points out to the issues related to resolution of the problems that may be encountered by children returning with parents and to the necessity to develop new forms of cooperation with the so-called “new emigration”, i.e. the Poles who left after 1<sup>st</sup> May 2004 (Plan of cooperation... 2013). Provisions contained in strategic programmes entail increased financing allocated to deployment of the programme targeted at returning migrants and “new emigration”.

When analysing the position of the Polish Government with respect to employment migrations, one can state that despite definitely greater scale of emigration than was envisaged, Poland has not changed its position in the field of free movement of workers and still supports maintenance of the scope of that freedom unchanged. At the same time, the approach to the assessment of the costs and benefits of emigration has changed. Adoption and financing of the programmes targeted at emigrants and aimed to facilitate returns to Poland indicates that there is a real concern that in the case of small scale of returns accompanied by sustaining scale of emigration, Poland’s competitiveness may become reduced, mainly due to the deteriorating ratios between economically active and inactive persons in the Polish society.

### **Present approach of Poland to the employment emigrations of Poles**

The analysis of strategic documents that have been developed after 2004, has demonstrated that the only comprehensive paper concerning immigration policy is the document prepared by the inter-ministerial group for migration and adopted by the Council of Ministers on 31<sup>st</sup> July 2012 under the title “Poland’s migration policy – the current status and postulated actions”. It was further detailed in the „implementation plan”, which was sent for inter-ministerial consultations on 6 August 2014. Earlier it was subjected to preliminary social consultations. The document

contains many relevant provisions, which demonstrate the current approach of the Polish Government to the issue of emigration and employment immigration.

Polish migration policy sets as its priority such management of migration issues that would give Poland unequivocal benefits. Therefore it was assumed that the present and forecast situation in the labour market should be of decisive importance for shaping up of the priorities for migration policy.

Among others the document includes a chapter addressing post-accession emigration and return migrations. It assumes that actions targeted at returning migrants should not discriminate against Poles who have no emigration experiences. This translates into rejection of the approach whereby Poles returning from abroad could be given access, e.g. to cheaper bank loans. Such approach should be deemed as a justified one, at least because of potential abuses and difficulties in defining who should be recognised as a returning migrant. The document also announced maintenance of the rule whereby programmes targeted at returning migrants would aim to minimise the negative consequences of the decision to migrate and return to Poland. Consequently they will aim to remove the barriers that emerged as a result of a given person's departure abroad and might become an obstacle to return. Moreover the document maintains the rule whereby the government administration will not encourage returns through "creation of illusive visions incompatible with the real economic and social situation". The document also contains a list of specific proposals, which – by taking the aforementioned principles into account, could be targeted at returning migrants, so as to facilitate the process of moving to Poland on the one hand and – in case of a decision to stay abroad – help maintain contacts with the country of origin. What is very important, the document does not create an unrealistic vision of effects of undertaken actions. It contains a statement that "the list of actions targeted at returning migrants may bring about limited effects within the time perspective of several coming years, the reduction of the scale of employment migrations and an increase in the scale of return migrations are closely related to the process of bridging the gap between the living standards of Poles and the standards in the developed countries of the European Union, i.e. to a further fast economic development of our country, improved effectiveness of management, increased levels of real salaries, enhanced flexibility in the labour market and improved quality of welfare and health care systems".

When analysing the details of the strategic government document, one can state that a vision of a state emerges therefrom which – perceiving the challenges related to significant scale of employment migration and its successive transformation into permanent emigration – attempts at designing actions that could help face this challenge.

## Approach to employment immigration

Observing the principle of complementarity as regards employment of foreigners, for many years Poland had applied very restrictive legal provisions concerning the opening of its labour market to the employment immigrants. The first signal of a change in that approach was visible when the regulation containing the list of groups of foreigners exempted from the obligation to hold a permit came into force (Regulation ... 2006). Nevertheless a real breakthrough did not come until 2009, when the amendment of the act on the promotion of employment and labour market institutions entered into force (Act amending the act ... 2009). It eliminated the heavily criticised two-tier procedure for obtaining work permits, liberalised the principle governing the performance of labour market test and extended the period of maximum validity of work permits to three years. In the discussion about liberalisation of the approach to employment immigration, an argument was raised that this was necessary, among others, due to emigration of Poles and staffing shortages emerging in many sectors. At the same time it was suggested that this refers to temporary immigration mainly because it was assumed that after a few years of emigration, a significant number of Poles would return to Poland.

Presently Poland continues the liberalisation of foreigners' access to the Polish labour market, which is evidenced by legal provisions concerning the issuance of work permits and introduction of the instrument of employers' declarations concerning employment of workers from such East European states (Ukraine, Russia, Belarus, Moldova, Georgia and Armenia), which marks a practical opening of the Polish labour market to the inflow of foreign seasonal workers. This follows from forecasts concerning demographic changes and recognition of the fact that employment emigration of Poles after 1 May 2004 forces Poland to undertake actions in the area of compensatory immigration, i.e. supplementing the expected shortages likely to emerge in the Polish labour market with the workforce from abroad.

On 1 May 2014 the new act on foreigners entered into force; on the one hand it harmonised Polish legislation with EU directives, while on the other it changed the principles governing employment of foreigners, which do not follow from the EU law (*Act on foreigners ... 2014*). An analysis of the provisions of the act demonstrates that another step was made to facilitate foreigners' access to the Polish labour market. This is evidenced, among others, by the introduction of provisions whereby loss of a job by a foreigner attributable to the employer no longer translates into immediate necessity to leave Poland. Pursuant to the new act, in such case the foreigner concerned has the right to search for and undertake a new job. Access for foreign graduates of Polish tertiary education institutions to the Polish labour market was liberalised too. Completion of studies authorises foreigners to obtain the right to stay temporarily for 1 year. It must be assumed that such lib-

eralisation is related to the fact that the scale of the emigration of Poles has not changed and the scale of returns is still low; consequently Poland needs to support compensatory immigration.

At the same time Polish legislation still contains many provisions hampering immigration, while the latter might bring many benefits to the Polish economy by improving its competitiveness. Good examples here are afforded by the provisions related to the start-up and pursuance by foreigners of the economic activity in Poland and very extensive list of conditions that foreigners have to meet to obtain work and residence card. This should be definitely simplified.

## Conclusions

The main goal of the paper is to present the results of an analysis concerning the scale of Poles' emigration after 1 May 2004 and to demonstrate the changes in Poland's approach to employment migration after accession to the European Union. Despite large scale of emigration, Poland has not changed its approach to the free movement of workers, recognising that this fundamental freedom should not be restricted. However perceiving the challenges related to emigration, particularly in the context of demographic change, Poland makes attempts to increase the scale of return migrations. In recapitulation it can be stated that Poland's position related to migration policy assumes defence of the freedom to move within the EU accompanied by the stimulation of return migrations and successive facilitation of the access to the Polish labour market to foreigners, particularly from Eastern partnership states.

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## LEGAL ACTS

Regulation of the Minister of Labour and Social Policy of 30 August 2006 *on the performance of work by foreigners without the necessity to obtain a work permit* (Journal of Laws No. 156, item. 1116).

Act of 19<sup>th</sup> December 2008 *amending the act on promotion of employment and labour market institutions* (Journal of Laws of 2009 No. 6, item 33).

Act of 12 December 2013 *on foreigners* (Journal of Laws, item 1650).

## 1.2. Poles in the Norwegian labour market: benefits and challenges

(by prof. dr hab. Włodzimierz Anioł, University of Warsaw, Institute of Social Policy, Scientific Foundation NORDEN CENTRUM, Norden Centrum President)

Norway is a country with the rich historical experiences as far as migration movements are concerned. They have covered mostly the huge emigration flows towards North America, which on the turn of 19<sup>th</sup> and 20<sup>th</sup> centuries resulted in sending of approximately 750 000 Norwegians. However, it is estimated that within a period of hundred years between 1820 and 1920 about one million Norwegian citizens emigrated because of the “pure” living standards (just to compare in Europe – proportionally higher number of country’s population emigrated from Ireland only). In the same time context about 150 000 immigrants settled down in Norway, mainly from Sweden.

Since 1954 Norway participates in the established at that time, the so called common labour market including all the Nordic countries. In turn at the end of 60s, numerous groups of migrants from Pakistan, Turkey, India and the Maghreb countries began to arrive to Norway. In the last few decades relatively numerous – in comparison to the potential population of the country currently amounting to 5 million inhabitants – were also arrivals of the refugees from Africa and Asia.

Since the late 60s of the 20<sup>th</sup> century Norway has reached a positive migration balance. Every year, except for 1989, more people come to Norway as immigrants than leave the country as emigrants<sup>1</sup>. The real breakthrough in the field of immigration growth turned out to be the enlargement of the European Economic Area in 2004. The inclusion of new countries from Central and Eastern Europe, including Poland, into the European Economic Area (EEA), where principles of the liberalized movement of labour apply (Norway joined this form of cooperation in 1994). Thus as a result, the Kingdom of Norway converts into a typical country of immigration even faster and more forcefully.

The share of the immigrant community in the overall population of the country has already exceeded 10%. In 2013, it counted over 700 000 persons (*including children born in the families with both immigrant parents*), out of which 1/3 resided in Norway for at least five years. The largest ethnic group in this immigrant community since 2008 are Poles. The Norwegian estimations from the beginning of 2011 has proved that almost 60 000 residents of Norway came up from the Vis-

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<sup>1</sup> Norway recognizes for immigrants the people who have come to this country with intention to stay for at least six months, have a legal basis for that, and as such are classified in the Central Register of Population. The applicants for asylum status, if their applications were rejected, no longer fall within this category, even if their departure from Norway is delayed for a long time.

tula region<sup>2</sup>. On the contrary, the Polish statistics taking into account not only the long-term migrants, but also seasonal workers, has already estimated the number of Poles living in Norway in 2008 at the level of 120 000-130 000, thus indicating two times higher size of population<sup>3</sup>.

### Changes in the structure of immigrant population

The data prepared by the Norwegian statistical office, namely *Statistics Norway*, as well as the government agency – the Directorate of Immigration show that between the years 1990 and 2007, the total of 328 200 non-Nordic immigrants came to Norway, most of whom as many as 135 000 (41%) within the family integration, 27% as the refugees and asylum seeking persons, 21% as labour migrant workers and 11% due to educational purposes. Throughout that entire several years period, most immigrants came from Poland (30 500), followed by Iraq (19 200), Germany (17 900), Serbia and Somalia (a little more than 17 000).

However, in the last few years, the proportions between different types of migration and immigrant groups have changed and more than half of arrivals constitute already a typical labour migration. At the second position in terms of numbers places an immigration motivated by family reasons, on the further ranking post – the refugees and arrivals associated with education, training practices or cultural exchange. It is worth noting that Poles have been the largest group recently not only amongst labour migrant workers, but also amongst people who come to Norway as part of family reunification, which is most commonly associated with the arrivals of wives and children to the Polish citizens working here already for some time. There is an increasing tendency for Poles to settle down in Norway. The employees originally temporary, engaged under the interim contracts often become permanent staff. As noted by an author of the thesis devoted to the referenced trend and defended recently at the University of Oslo, namely Jon Horgen Friberg on the basis of his own insightful research, within the agricultural sector 9 out of 10 seasonal workers from Poland return to their homeland, but in the construction industry only 4 out of 10 employed workers opt for a similar step<sup>4</sup>.

It can therefore be concluded that in the light of available statistical data, in the general migration balance of Norway, increasingly important role has been played

<sup>2</sup> International Migration 2010–2011. SOPEMI Report for Norway, OECD, Paris 2012.

<sup>3</sup> P. Kaczmarczyk (ed.), *Współczesne migracje zagraniczne Polaków. Aspekty lokalne i regionalne*, Warszawa 2008

<sup>4</sup> J.H. Friberg, The stages of migration. From going abroad to settling down: Post-accession Polish migrant workers in Norway, "Journal of Ethics and Migration Studies" 2012, vol.38, No.10; idem, *The Polish Worker in Norway. Emerging Patterns of Migration, Employment and Incorporation after EU's Eastern Enlargement*, Oslo 2013.



by the labour migration. The breakthrough in this respect was the year 2006, when immigrants motivated by economic considerations for the first time proved to be more numerous than those who came to Norway motivated by each of the other three main reasons: family, political and humanitarian or educational ones.

Dominant parts of the immigration flow to Norway nowadays are flows of labour force from the new EU Member States, in particular from Poland. What draws attention is still high percentage of men in this group of immigrants. This sex has been presented by 2/3 of Poles, although the presence of migrant women grows steadily, e.g. within the Polish community in Oslo between 2006 and 2010, the 10% increase in females has been noted – from 26 to 36%<sup>5</sup>. At the same time the percentage of Poles living together with their families in the capital of Norway has increased from 20% to 52%. In turn, amongst visitors from non-European countries, such as Thailand and the Philippines, women dominate<sup>6</sup>. The above-mentioned proportions of sex are easily correlated with the industry employment structure and the dominant place, which are occupied by the nationalities listed on the Norwegian labour market. If for the Norwegian neighbours across the Baltic Sea, the main area of employment in Norway seems to be both construction and agricultural sectors, then the immigrants from the Southeast Asia often work as domestic help or nannies.

It is worth mentioning that the global scale as well as the complete picture of labour migration to Norway escape however from the exact statistics and they are not easy for accurate presentation. In fact, for this phenomenon different streams and categories of immigrants consist, and the available data do not address all types of the employee contracts. In particular, it concerns a dynamically developing quantitatively subcontractor services provided by foreign companies and so called posted workers. The recent estimations suggest that out of approximately 1 000 000 posted workers operating every year throughout the entire European Economic Area up to 1/4 or 250 000 are Poles. This kind of cross-border services is controlled by about 15 000 Polish companies.

### Benefits and concerns

The special attraction of Norway for the Poles and other migrants stems from several so called country-specific factors. The main advantage attracting foreigners to Norway seems to be relatively high wage rates, even for the richest Member States

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<sup>5</sup> J.H. Friberg, L. Eldring, *Polonia i Oslo 2010: Migrasjon, Arbeid og Levekar i Endring blant Polakker i Hovedstaden*, Fafo, Oslo 2011

<sup>6</sup> Women and men in Norway. What the figures say, Statistics Norway, Oslo-Kongsvinger 2010.

of the European Union<sup>7</sup>. Not without significance are also other favourable conditions of employment, a wide range of benefits and social services guaranteed to workers by the state, generally safe and well-organized work environment and housing, not to mention the attractive natural environment and tourism and landscape values of the country. In recent years, Norway has remained the leader of the UN world ranking evaluating annually countries in terms of overall quality of life (Human Development Index). All of these elements, inducing foreigners to shorter or longer stays, determine the specificity of the Norwegian case.

Norwegians recognize the obvious, significant benefits arising from the increasing inflow of the foreign labour. A good economic situation creates the demand for foreign workers who reduce occurring shortages in many branches. The international comparative analysis shows that Norway is a member of several European countries having the largest deficit of skilled labour. The economic boom experienced by the country for a long time, which was not even seriously disturbed by the international financial and economic crisis at the end of the past decade, is accompanied by the high proportion of economic activity and a relatively low unemployment rate (in 2008 it amounted to less than 2%, in August 2014 – only slightly exceeded 3%).

In turn, restructuring transformation and implementation of infrastructural projects encounter limitations of human resources, including inter alia with much more popular education in the field of human sciences (at the expense of technical professions) amongst young Norwegians. The progressive aging of the Norwegian society reduces labour supply (the number of people in the working age), and at the same time creates demand for elderly care services. These are just some of the important factors giving rise to the need for employment of foreigners in the Kingdom of Norway.

Surveys carried out by the Norwegian economic organizations show that more than half of farms and companies take advantage of using the services or would be interested in periodic employment of cheaper migrant workers from Central and Eastern Europe. It is often pointed out that generally they not only meet an important complementary role in the labour market effectively filling niches not occupied by the Norwegians, but also bring macroeconomic benefits. They weaken namely, inter alia, wage and inflationary pressures, contribute to the growth of production and services, supply the State treasury via taxes etc.

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<sup>7</sup> According to Eurostat, in 2008 the average monthly earnings of the low-level employees in Norway were the highest in Europe and amounted to 3 114 euros. For comparison, the EU average amounted to 1 973 euros, for example in Denmark – 2 809 euros, in Germany – 2 636 euros, in the UK – 2 187 euros, in France – 1 700 euros, while in Poland – 517 euros.

The positive balance for the increased external employee mobility is further supported by the argument that disclosure often fears a massive “social and benefits tourism” and the abuse of a variety of generous social benefits here by Poles and other immigrants from the new EU Member States have not been confirmed by the convincing empirical evidence so far. Those immigrants much less likely benefit from social assistance or other benefits than the native Norwegians, which is also noted by the trade unions. Regardless of the fact that in accordance with EU and the EEA regulations they are entitled to benefit from the support provided by the Norwegian welfare state on equal basis. As it was stated once by Petter Vellesen, head of the construction workers union (Byggningsarbeiderforbund) in the interview with the newspaper “Aftenposten”, the Poles working legally in Norway pay taxes, so they have the same right as Norwegians to social benefits and pensions<sup>8</sup>.

However, in addition to the factors stimulating labour immigration, there are also factors inhibiting or questioning the development of this process. Relatively much unrest and controversy in Norway causes the emerging problem of “grey area” in the context of subcontracting segment of the labour market, associated with the provision of services by foreign companies and workers. In this area there are many complaints and accusations of unfair competition, allegations issued by trade unions and social anxieties generated by the phenomenon called social and wage dumping<sup>9</sup>.

### How to associate interests and alleviate tensions?

The competitive advantage of many service providers from Poland and other countries of our region, particularly in the construction sector, prejudice in a natural manner interests of some Norwegian companies and their employees. This happens regardless of the disclosed by the Norwegian consumers demand for those foreign services – as a rule usually cheaper and often of better quality. Thus, claims about undercutting rates of salaries and unequal treatment of employees, but also criticism of many clearly pathological phenomena occurring on the provision of services by posted workers. It concerns e.g. violations of standards of occupational health and safety, rules governing the working time, circumvention of legal rules concerning insurance and taxes, failure to comply with the requirements for civilized living conditions.

More specifically, as in lens the mechanism of formation of these various shortcomings and abuses had been showed by the tragedy in Drammen, which occurred in November 2008. In the wooden house, inhabited by 22 construction workers

<sup>8</sup> J. Pawlicki, *Norweskie strachy na Lachy*, „Gazeta Wyborcza” z 25.11.2009.

<sup>9</sup> Zob. W. Anioł, *Problem dumpingu socjalnego*, „Sprawy Międzynarodowe” 2007, nr 2.

from Poland, the fire erupted at night and consumed a total of 8 death victims. The men worked at the construction of the school, investor of which was the city. But as it turned out, the implementation of this particular investment project took place with participation of a longer chain of intermediary cells: a Norwegian contractor, a Norwegian broker and finally a small Polish company from Plock that due to the fact of being sub-contacted has recruited construction workers within this city and its surrounding in order to “export” them to Drammen. The tragic event shocked commentators who emphasized that within similar chains of intermediaries the responsibility for respecting the required labour standards, including the safety of employees, their insurance as well as the proper training blurs somewhere and is lost in the end<sup>10</sup>.

Theoretically, the minimum level of social protection given to posted workers in the framework of the provision of services has been ensured by the special EU Directive of 1996 devoted to this issue (No 96/71/EC), which is also binding for Norway. In practice, however, the enforcement of regulations contained in that Directive is not easy, especially in the Scandinavian countries, where a whole range of working conditions is rather defined in the context of trade negotiations and collective agreements between representatives of employees and employers, than the generally applicable rules providing minimum protection. The weaknesses in functioning of the respective monitoring authorities that control compliance with the relevant standards adds to this, for example, labour inspection or tax offices.

In addition, the phenomenon of posting workers itself in order to cross-border provision of services is quite complex issue, involving at least three different cases, which complicates the matter at the stage of enforcement responsibility. The first situation is when, for example, the Polish employer is posting an employee to Norway on its own account and under its own leadership, under the contract with the local customer of the service. The second case involves delegating an employee by the Polish company to the Norwegian one. And finally, the third situation refers to temporary employment agencies or agencies renting staff to the companies operating in Norway.

The fear of social dumping by foreign labour workers, articulated in a special way by the main Norwegian trade union namely LO (Landsorganisasjonen) resonate with the critical attitude of the referenced federation towards the EU Services Directive (2006/123/EC), adopted in 2006 and colloquially called “Bolkestein Directive” (from the name of internal market commissioner, who proposed its draft). Although in relation to the original proposal, the eventually accepted one has been diluted and modified including thoughts of social dumping opponents (terms of

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<sup>10</sup> M. Orłowska, *W Norwegii Polak Polakowi robi świństwo*, „Gazeta Wyborcza” z 18.11.2008.

service shall conform to the standards of the host country and not the country of origin), it would not dampen fears against the adverse consequences of the excessive liberalization of the European service market.

It is significant that both the critical stance of the trade unions' headquarter towards the referenced Directive, as well as more general scepticism about benefits resulting from the inflow of the cheaper foreign labour to Norway, quite often are not shared by the "pits of unions". It is because of the fact that in particular companies and industries they clearly see close and "tangible" qualities of labour migration. First of all in the form of improving the competitiveness of these entities, sometimes even in the form of rescuing them from bankruptcy or relocation to other countries, which applies for example to the shipbuilding sector.

There are still concerns referring to the dangers caused by the labour migration to Norway and more broadly – to the Nordic model of social policy, including the system of labour relations based on the developed social dialogue, and not on the national law in the form of regulations. Those concerns have not, by any means, been dispelled by the ruling of the European Court of Justice (ECJ) in the precedents like *Vaxholm*, *Viking* (both judgments of December 2007) and *Ruffert* (from April 2008.). All of them in one or another way referred to the protection of posted workers, also the case of possible extension of the provisions of collective labour agreements, referring in particular to the wage rates in force in the "old" EU member states (in Sweden, Finland and Germany respectively) for providing service staff from the "new" EU countries (from Latvia, Estonia and Poland respectively).

In the first of the quoted judgments ECJ clearly stated that in the absence of universally applicable regulations which guarantee the minimum protection, and the lack of the system of declaring collective agreements as universally applicable, the trade unions from the countries that have contracted cross-border service cannot force service providers to adhere to the collective agreements present in these countries<sup>11</sup>. EJC ruled in a similar vein in two other cases as well. In Norway, in some circles, the referenced judgments have been seen as confirming the fears that further participation in the European Economic Area (and even more a potential accession to the EU) and the liabilities resulting from the Community law may undercut so far shaped country's social standards and systemic solutions, with the inclusion of dismantling of the specific model of industrial relations. In particular, it is connected with a threat to the mechanism of dialogue between social partners,

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<sup>11</sup> More about this case see K. Ahlberg et al., *The Vaxholm Case from a Swedish and European Perspective*, "Transfer" 2006, No. 2.

traditionally shaped in the Nordic countries and which to this day differs quite significantly from the French, German or even more the Polish model<sup>12</sup>.

Against the background of fairly rapid growth in the number of migrant workers from Poland and other Central and Eastern Europe countries, a tendency towards progressive Norwegian labour market duality has intensified recently, that is to its division into two different parts. The first of them is strictly regulated, offers higher wages and more stable and safe working conditions, the ability to raise competence etc. The second part is characterized by lower wages and under standardized conditions of employment, which is usually temporary, but assumes a long working day and week; weaker social coverage; lower requirements for the desired qualifications; dim prospects for vocational training and promotion etc. That second segment of the labour market – sometimes called as secondary in the contrast to the original one – usually covers industries dominated by immigrants, like construction sector, repair services, catering and hospitality, cleaning services, harvesting in agriculture and some processing industries. This tendency to fragmentation could be with a little exaggeration called by the term “Kuwaitization”, because to some extent it is similar to what is happening for a long time in the labour markets in some countries of the Persian Gulf.

These processes are not without an influence on the Norwegian system of social dialogue and regulations related to the labour relations. In order to reach again for more specific example, the Norway’s Tariff Board (Tariffnemda) in the years 2009–2013 was involved in the interesting and loud dispute on universalization of the collective agreements in respect to foreign posted workers employed in nine Norwegian shipyards. Those companies, supported by the employers’ organizations (Federation of the Norwegian Industries and the Confederation of Norwegian Enterprise – NHO), have occurred on the court way with demands of more flexibility in this area. The final decision of the Norwegian Supreme Court in the case dated 2013 confirmed meanwhile the position of the said Tariffnemda.

It proved therefore inconsistency with earlier decision of the EFTA Court that was taken by that authority in the spirit of the EU Directive on the posted workers, which – in short – does not impose a compliance of the EU foreign labour migrants’ working conditions to the standards set out in the national collective agreements. It concerns regulations and standards on the issues such as working time, wage rates, special allowances to cover the travel costs, meals and accommodation etc., including so called out of town fee, known in Norway as *utenbysillegg*.

<sup>12</sup> J.E. Dolvik, F. Engelstad (eds.), *National Regimes of Collective Bargaining in Transformation: Nordic Trends in Comparative Perspective*, Oslo 2003; W. Anioł, *Państwo pracy w Skandynawii – między ciągłością a zmianą*, “Polityka Społeczna” 2014, nr 4.

## Prospective challenges

Regardless of the prioritization of the national labour resources, in the policy strategic guidelines elaborated by the Norwegian authorities in relation to immigration, it is considered that in general the process is beneficial both for the state and for the society. It is assumed that in the coming years, the European labour market – and to speak more precisely the market related to the European Economic Area – remains the main area for the Norwegian employers to recruit foreign labour force. The participation in this open and large market – up to hundred times greater than the Norwegian one – allows in a flexible and convenient manner, for the benefit of all parties, to associate both employers and employees. At the same time, the Norwegian authorities have pointed out that migrant workers should enjoy the same wages and working conditions, which are granted to the Norwegian citizens. It is emphasized that companies and entrepreneurs should bear the main burden of responsibility for the compliance with applicable rules and regulations during the recruitment process of the foreign labour<sup>13</sup>.

A very important issue is also addressed to the integration aspects of labour migration policy, preventing or mitigating potential tensions which appear already in the form of problems associated with the growing group of foreigners. It can contribute to stable and sustainable development of the whole society. That is important with regard to the labour migrants to include activities oriented to a wider and better flow of information useful for that group of workers (also on rights and obligations of the employees in Norway), improving procedures to facilitate recognition of the professional qualifications and the diplomas issued by foreign universities or a wider offer and possibilities to learn Norwegian. The significant role has at that point different types of entities and organizations, not only governmental authorities such as the Norwegian Labour and Welfare Service (NAV).

Another issue to reflect on are the socio-cultural implications and challenges connected with emerging movements and involvement of the immigrant minorities in the Norwegian society. It could be broadly stated that due to this circumstance Norway embarks on a passionate, though in some ways risky journey from a homogeneous society – almost homogeneous ethnically, religiously and culturally – and on this background historically distanced or even a bit wary of strangers – to a multicultural one, even more open to the world, foreigners and other identities, including the religious ones. It is worth noting that regardless of the numerically growing Muslim community, the number of Catholics in Norway is also rapidly increasing and is estimated sometimes at the level of nearly 100 000. So not only

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<sup>13</sup> More about the Norwegian policy towards labour migration see W. Anioł, *Problemy migracji zarobkowych do Norwegii*, „Polityka Społeczna” 2009, nr 5–6.

mosques are built and filled with people, but even more persons attend also catholic masses, to which mainly newcomers from Poland and Lithuania contribute.

Becoming familiar with the specificity of the multicultural society, as everywhere in the world, also in Norway is not a simple, easy and fast-going process. It requires prudence and tolerance, sometimes long-term and patient adaptation, psychological adaptation, containment in a tendency to stigmatize immigrant minorities increasingly present also on the labour market. The average resident of Oslo will increasingly experience the situation, in which the frequently visited pub has been renovated or built by Poles, the bartender is the Swedish man, the vegetables in the salad served come from the farms employing Lithuanians, the Somali citizen washes up the beer pints on the back side of that pub and the taxi driver picking customers home late at night is of the Pakistani origin. It is important to remember that in that new situation one cannot subject to the negative stereotypes, rather keep an open attitude, and show willingness for dialogue, mutual understanding and support, and so harmonious coexistence in one society.

Immigrants will certainly enrich the cultural, ethnic and religious landscape of Norway. It is an open question whether that more and more colourful social mosaic will not, in the long run, weaken the sense of solidarity and the spirit of egalitarianism, and thus axiological foundations of the traditional welfare state and the Nordic social model. This is one of the most significant challenges currently that all the Scandinavian currently face<sup>14</sup>. According to the well-known correlation, empirically confirmed on several studies (e.g. in the USA), the ethnic and cultural homogeneity significantly increases the social willingness to redistributive measures, while pluralism in this area does not seem to favour the development of the generous social policy.

However, there are also strong arguments convincing that the inflow of labour migrants does not constitute burden on the welfare state, but on the contrary – is a prerequisite for sustaining economic growth and continuation of the developed social functions granted by the state<sup>15</sup>. As can be judged this pattern applies broadly towards the Scandinavian countries, including also Norway.

<sup>14</sup> W. Anioł, *Szlak Norden. Modernizacja po skandynawsku*, Warszawa 2013, s. 235–237.

<sup>15</sup> G. Brochmann, J.E. Dolvik, *Is immigration an enemy of the welfare state*, in: D. Papademetriou (ed.), *Europe and Its Immigrants in the 21st Century*, Washington 2006.



### 1.3. Polish migrants' integration into Norwegian health care system

(by dr Elżbieta Czapka, Norwegian Centre for Minority Health Research)

“Increasing migration to and within Europe has confronted health care systems with the challenge of developing accessible, appropriate and effective services for migrants and ethnic minorities” (Ingleby, 2005)<sup>16</sup>

#### Introduction

During the last decade the number of labour migrants to Norway dramatically increased due to new accessions to the EU. At present Poles make up the largest immigrant group in Norway (84.000)<sup>17</sup>. This migration is mainly economic and it is connected with the reunion of families<sup>18</sup>. Due to the general features of labour migration, specific health hazards for individuals can be considered. In most cases migrants perform hard physical jobs, what makes them more vulnerable to workplace accidents. Statistics Norway has found that immigrants are overrepresented in jobs that pose health risks<sup>19</sup>. From public health perspective a quick and efficient integration of Polish immigrants into the Norwegian health care system is very crucial. In Dictionary of Sociology the term social integration is defined as „*state or process occurring in society and consisting in the fact that its individual elements have a tendency to combine into a harmonious, coordinated and functional unity; eliminating the barriers which prevent or make establishing contacts difficult for individuals or social groups*”<sup>20</sup>. In further part of the definition it is stressed that integration expresses itself in accepting common axionormative systems and social sanctions functioning within them. Thus, the integration requires involvement and will of both sides: the immigrants and the host society. Heckmann distinguishes five spheres of integration: structural integration (the acquisition of rights related to employment, housing, education, health care, citizenship, and participation in the political life of the host society); cultural integration (change of immigrants and their relatives' behaviour, way of thinking and their attitudes towards accepting the social standards of the host society); integration into the sphere of social interactions (*friendships, marriages and membership in various organizations*) and integration in the sphere of

<sup>16</sup> D. Ingleby, M.Chimienti, P. Hatziprokopiou, M. Ormond, C. deFreitas, 2005. The role of health in integration. In: M.L. Fonseca and J. Malheiros (eds.), *Social integration and mobility: education, housing and health*. IMISCOE Cluster B5 State of the art report, Estudospara o Planeamento Regional e Urbano n° 67, Lisbon: Centro de EstudosGeográficos, pp. 88–119.

<sup>17</sup> SSB, 2014 (<http://www.ssb.no/en/befolkning/statistikker/innvbef>)

<sup>18</sup> Labour immigrants from Poland made up the largest group in 2013, with 7 000 persons. Poles were also the largest group of family immigrants in 2013,SSB Norway, 2014.

<sup>19</sup> S. Bloom et. al. (red.) 2008. *Levekår blant innvandrere*, SSB rapport 5/2008.

<sup>20</sup> Dictionary of Sociology, K. Olechnicki, P. Załęcki, pp. 85–86.

identity (*a sense of belonging expressed in the form of attachment to ethnic, regional, local and national identity*)<sup>21</sup>. Access to health care services is a very important element of structural integration.

The need to address the health issue for migrant populations is both societal and moral obligation of a welfare state. Therefore, in 2013 The National Strategy for Immigrants' Health was published in Norway. It describes the main challenges related to certain immigrant groups when it comes to health, and measures to accommodate them<sup>22</sup>. The document emphasizes the need for systematic research in the area of migrants' health as the existing knowledge is based on single studies and it seems to be fragmented and inadequate<sup>23</sup>.

The article presents patterns of utilization of health care services by the Polish immigrants, barriers and facilitators to access to health care services and challenges related to migrants' integration into the Norwegian health care system.

### Norwegian health care system in a nutshell

Tax-based health care system in Norway is characterised by universal access, free choice of provider and decentralisation. All legal residents (citizens and long-term residents) enjoy the universal coverage and private insurance is very limited. The residents of EU have to bring European Health Insurance Card to cover the expenses of medical care.

Health care is not free in Norway. Patients are obliged to pay a small contribution for each visit to a doctor and for most of the tests. Once certain amount in user fees is paid, patients are entitled to get a health care exemption card. There are two types of exemption cards, each covers the fees for particular types of treatment<sup>24</sup>.

Foreign workers, registered in Norway, are automatically entitled to insurance. Workers who are not registered in office of civil registration, those who have so called D-number do not have the right to have a general practitioner (fastlege). However, in a situation of threat to life or health they have the right to obtain medical help. It is worth noticing that the institution of a general practitioner (fastlege) in Norway is extremely important because it functions as a gatekeeper in the Nor-

<sup>21</sup> R. King, R. Skeldon, "Mind the Gap" Integrating approaches to Internal and International Migration, "Journal of Ethnic and Migration Studies" vol. 36, 2010, p. 1634–35.

<sup>22</sup> Likeverdige helse- og omsorgstjenester – god helse for alle. Nasjonal strategi om innvandreres helse 2013–2017, Helse- og Omsorgsdepartementet.

<sup>23</sup> Ibidem, p. 39.

<sup>24</sup> More information about exemption cards: <http://www.helfo.no/privatperson/frikort/Sider/default.aspx#.VCHnYhYmWnY>

wegian health care system. In order to visit a specialist, one should have a referral from “fastlege”.

### Polish immigrants’ utilization of health care services in Norway

Because of the fact that a large number of Polish people have appeared in Norway relatively recently, there is not much research concerning Polish immigrants’ health and their access to health care services.

A research conducted in Oslo showed that merely 18% of the interviewed Polish immigrants would visit a doctor in Norway in case of disease, whereas 50% would do the same in a similar situation in Poland (table 1).

**Table 1. Coping strategies related to dealing with poor health**

Coping strategies:	Poland (%)	Norway (%)
I go to see a doctor	50	18
I try to find a treatment by myself	58	67
I ask my friends for advice	14	18
I wait until I recover	20	28

Source: E. Czapka, The Health of Polish labour immigrants in Norway, NAKMI report 3/2010, Oslo, p. 26.

According to migrants’ declarations, the main reasons for visiting the doctor more often in Poland than in Norway include: lack of language barriers, lower costs, being familiar with Polish health care system, better access to health care services and trust to Polish doctors and their way of treatment<sup>25</sup>. Migrants are often no longer insured in Poland and therefore they go to private practitioners:

*„In most cases I go private when I am in Poland from time to time because I don’t have to wait and it’s quick and, all in all, even when I was insured, it happened that I was going private.”*

The research on the use of primary health care services for mental health problems showed that Polish migrants were less likely than Norwegians to have had a P-consultation<sup>26</sup>. It can be partly explained by the fact that Polish migrants in Norway

<sup>25</sup> E. Czapka, The Health of Polish labour immigrants in Norway, NAKMI report 3/2010, Oslo, p. 26.

<sup>26</sup> M. Straiton, A. Reneflot, E. Diaz, Immigrants’ use of primary health care services for mental health problems, BMC Health Services Research 201, 14:341, p. 3.

evaluate their mental health rather positively<sup>27</sup> and in case of illness, some of them go to a doctor in Poland. The frequency and reasons for using emergency services by Polish migrants are other important factors of integration. The research showed that Poles used emergency services half as frequently as native Norwegians<sup>28</sup>. According to researchers, Polish migrants “*are typical representatives of the healthy migrant effect or healthy worker effect*”<sup>29</sup>. The decision about migration is usually taken by young and healthy persons. However, research shows that over time a phenomenon called “*exhausted migrant effect*” may occur<sup>30</sup>. Migrants’ health may quickly deteriorate, especially if they work too hard and do not obey work safety regulations as it often happens in case of Polish immigrants in Norway.

The study of immigrant’ use of emergency primary health care (EPHC) show that Polish immigrants needed sick-leaves more often than other patients<sup>31</sup>. It can be explained by the fact that short term work immigrants are not entitled to have a family doctor (*fastlege*) and in case of illness they have to obtain a medical certificate of incapacity for work from z EPHC.

### Barriers and facilitators to access health care services

It is well documented that migrants’ access to health care services is often limited and it results in their health deterioration. Even if migrants enjoy the same entitlements as the nationals, it does not automatically mean the same access to health care services. The research conducted so far proves the existence of numerous obstacles hindering migrants’ access to health care services. These barriers may be connected both with migrants and the features of migration and they may result from a specific way of functioning of immigrant society. In the second case, the crucial barrier of integration seems to be the lack of access to information. Contemporary society is described by sociologists as information society where information becomes more precious than tangible goods. The deprivation of particular social categories (among them – immigrants) of access to information may result in their marginalization. According to law, all members of society have equal rights of access to the information they need and the authorities are obliged to use all possible means and sources to ensure equality in the economic, social, cultural and political relations between minority and majority. Although in the era of globali-

<sup>27</sup> Only 7% of the interviewed described their mental health as poor or very poor, E. Czapka, op. cit., p. 19.

<sup>28</sup> Sandvik H, Hunnskaar S, Diaz E. Immigrants’ use of emergency primary health care in Norway: a registry-based observational study. *BMC Health Services Research*.2012; 12: 308.

<sup>29</sup> *Ibidem*, p. 5.

<sup>30</sup> Bollini, P.,Siem H., 1995, No real progress towards equity: health of migrants and ethnic minorities on the eve of the year 2000, “*Social Science&Medicine*”,41(6):819-28.

<sup>31</sup> Sandvik H, Hunnskaar S, Diaz E., op. cit., p. 7.

zation, the state still plays an important political role, many governments find it difficult to "develop new channels of communication with their citizens"<sup>32</sup>. They rely on the already existing methods of interaction with society, which are not always effective and the limitation to the use of which may cause the institutional discrimination of migrants. For example, migrants have right to know to what extent they are entitled to health care services and, what seems to be even more important, how they can get this care. It seems that migrants and members of ethnic minorities, who are not well-educated, will be more and more socially disadvantaged and marginalized in the information society. Many of them do not have sufficient computer skills and do not know the language of the country they have emigrated to. If there is no significant change in this aspect, "ethnic minorities in the network society will undoubtedly join a group of the excluded/socially disadvantaged in every aspect, both at work and in social relations"<sup>33</sup>. There is a real danger that some immigrants will make a new underclass or join the already existing one. There is no doubt that progress connected with the development of information and communication technologies affects both the sources of information and the type of information that individuals have access to<sup>34</sup>. In case of immigrants this access is usually limited by different types of barriers.

Characterizing immigrants' access to health services, one can distinguish two groups of barriers: patient-related barriers (lack of language competence, lack of trust in the health care system of the immigration country) and system-related barriers (lack of adequate and appropriate information, legislations).

The research conducted by the author among Polish economic immigrants in Oslo revealed that the most import barrier, in this case, is lack of information and in the second place there is a lack of language competence<sup>35</sup>. The statement of one of migrants shows that the Poles are not fully aware of how Norwegian health care system works:

*„Health? I always try to tend to it, but obviously here in Norway it is kind of blurred. They have different approach to these health care services. In Poland everyone has a medical centre, a family doctor and here it's far less clear. Well, you get assigned some kind of area, some sort of a medical centre once you get your personal number. But I haven't used it yet.”<sup>36</sup>*

<sup>32</sup> Ch. May, *The information society, A sceptical view*, Polity, Cambridge 2002, p. 16.

<sup>33</sup> J. van Dijk, *The network society*, Sage, London 2006, p. 117.

<sup>34</sup> W. H. Dutton, A. Elberse, T. Hong, S. Matei, *Beepless in America: The social impact of the Galaxy IV pager blackout*, (in:) *Access denied in the information age*, (ed.) Stephen Lax, Palgrave Basingstoke, 2002, p. 9.

<sup>35</sup> E. Czapka, *The Health of Polish labour immigrants in Norway*, NAKMI report 3/2010, Oslo, s. 27.

<sup>36</sup> *Ibidem*, p. 28.

According to research as many as 59 % of respondents would like to obtain more information about the health care services in Norway. When asked about the source of their knowledge on this subject they pointed mainly to friends (34%), the Internet (31%) and the church (10%)<sup>37</sup>. Migrants possess fragmented knowledge on the GP scheme and as a result they do not know how to navigate rather complicated health care system in Norway where GP acts as a gate keeper for specialized health care. In Poland there is a group of specialists to whom patients do not need referral. These include, inter alia, a gynaecologist, a dermatologist and a dentist.

Access to health information and to health services is limited because of the lack of knowledge of Norwegian language. In Norway all newly registered are informed of the family doctor system (fastlege ordning). Unfortunately, this information is in Norwegian. Research conducted among Polish immigrants in 2013 and in 2014 indicates that in such a situation they ask their friends to translate a letter and also to choose a family doctor (fastlege). Immigrants cut off from the virtual world and those who do not know how to use a computer are the most vulnerable ones. One of the interviewees pointed out:

*„A friend told me: ‘There is a doctor, it would be good for you to go and see her.’ And therefore I went to her. She helped me. So, normally I know that others are asking questions, where to find the doctor, where to go to him. Practically there is no address. I don’t know where to get those doctors from. You have to look for them on the Internet and what if you don’t know how to use the Internet? So, you won’t find them. And, what’s more, you should know the language to enter the site and find the information. It’s too complicated.”<sup>38</sup>*

Results of research conducted among Polish immigrants in Oslo in 2007–2009 show how significant barrier is the lack of knowledge of language of the host country in the context of using health services. Immigrants who did not know Norwegian language, ten times less than the others declared that in case they felt ill they went to a doctor in Norway<sup>39</sup>.

Another significant obstacle for using health care services by migrants is the high cost of medical services, especially the dental care abroad (Czapka, 2010). Patient’s fee, although symbolic for Norwegians, is roughly the same as the cost of a private visit to a medical specialist in Poland. Moreover, immigrants declared avoiding vis-

<sup>37</sup> Ibidem, p. 27–28.

<sup>38</sup> Excerpt taken from an interview conducted in 2013, as a part of research carried out by Norwegian Centre for Minority Health Research.

<sup>39</sup> E. Czapka, op.cit., p. 28.

its to their GP because they knew that they could not work when on a sick leave<sup>40</sup>. Even though they obtained 100% of their regular salary but they could not do any overtime hours or extra jobs.

Speaking of the barriers in access to medical services, one should also mention the question of lack of trust or limited confidence of Polish immigrants to the Norwegian medical staff. It concerns, inter alia, the professional skills of Norwegian doctors:

*„I suggest, however, having medical appointments in Poland. Here the doctors approach everything too lightly. We complain about our health service but now I know that we sin. They [Norwegian doctors] have good equipment, good organization of work but probably not enough knowledge or willingness.”<sup>41</sup>*

It should be noted that in other host countries Polish immigrants experience similar barriers in access to health services<sup>42</sup>. The lack of appropriate and relevant information and lack of language competence make the greatest difficulties for the migrants everywhere they are. One tries to mitigate and overcome these barriers in different ways and with varying degrees of success.

### **Conclusions- challenges related to migrants’ integration into Norwegian health care system**

“Workers were called, human beings came.” (Max Frisch)

Relatively small outflow of Polish migrants from Norway and the fact that more and more often this migration is a family reunion suggest that some of the migrants will stay in Norway permanently. Taking into consideration the nature and the intensity of labour of working immigrants one can assume that in time we will be dealing with “exhausted migrant effect”. The sooner migrants learn to navigate Norwegian health care system and the faster and more efficiently this system will

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<sup>40</sup> Ibidem

<sup>41</sup> The statement comes from one of the popular Polish Internet forums for migrants in Norway. During the research the analysis of Internet forums has been carried out in terms of health and access to medical services.

<sup>42</sup> See. Kozłowska O, Dallah D, Galasiński D. Migration, stress and mental health: An Exploratory study of post-accession Polish immigrants to the United Kingdom, University of Wolverhampton. 2008; Jackowska M, Wagner Ch, Wardle J, Juszczyk D, Luczyńska A, Waller J. Cervical screening among migrant women: a qualitative study of Polish, Slovak and Romanian women in London, UK. Journal of Family Planning and Reproductive Healthcare. 2012; 38(4):229-38; Bray JK, Gorman D, Dundas K, Sim J. Obstetric care of new European migrants in Scotland: an audit of antenatal care, obstetric outcomes and communication. Scottish Medical Journal. 2010; 55 (3): 26-31; Leaman AM, Rysdale E., Webber R. Use of the emergency department by Polish migrant workers. Emergency Medicine. 2006; 23: 918-919.

adapt to specific needs of migrants, the better for migrants themselves and for the Norwegian society.

Migrants' integration into Norwegian health care system involves some challenges resulting mainly from the nature of post-accession economic migration. Migrants often use health care services in both countries, which may have negative implications for the continuity of the treatment. For example, patients do not always provide a Norwegian doctor with the results of the tests done in Poland<sup>43</sup>. Results of the research indicate that women often do not take part in research aimed at preventing breast cancer and cervical cancer in Norway because they go private and do these tests during visits in Poland<sup>44</sup>.

In case of post-accession working migrants, special attention should be paid to mental health, what is emphasised by a number of authors. Hard work below one's qualifications, separation from the family and social isolation contribute to the development of mental disorders such as depression, what translates into overuse of alcohol and other disease units which may trigger suicidal attempts. It is necessary to develop special programmes of mental health promotion aimed at Polish migrants. It seems absolutely necessary to provide Polish migrants with an opportunity to use psychologists' or psychiatrists' help in Polish.

Another important problem referred to in the research is the barriers to health care services. They have serious implications not only on the migrants but also on health care services and on public health. Language barriers, lack of trust to health care personnel abroad and lack of relevant and appropriate information makes migrants postpone a visit to a doctor until their condition is absolutely serious.

Considering the obligation to provide equal access to health care services for migrants, it is extremely important to monitor both health state and health care needs of Polish migrants. This may deliver a triple win: for the destination country, for the country of origin and for the migrants themselves.

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<sup>43</sup> British research (wstawic przypis)

<sup>44</sup> The results come from the project done by NAKMI and Kreftforeningen (Cancer Association) in 2012.



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## 1.4. Poles in Norway – from a judicial point of view.

(by Sebastian Garstecki, Attorney at law, Advokat MNA, Advokatfirma Garstecki AS.)

### Introduction

When Poland joined the EU in 2004, it was a reasonable doubt in the Norwegian society how the free movement of Eastern European workers will affect the Norwegian labour market. Some said it would disturb the Norwegian market and that new EU countries would even take away the jobs from the Norwegians. Others claimed it will be good for the Norwegian economy, and that Norway finally will be a solidary participant in the European Economic Area context.

A view back on time gives a conclusion that both of the above predictions aimed at the right direction. Poles indeed took the jobs away from Norwegians; but mainly the jobs which Norwegians did not find attractive, but which had to be conducted anyway. It suddenly hired many people in the construction, cleaning, gardening and industry branches. Moreover, the question rose about an impact on the Norwegian economy. The answer is obviously yes. Many highly educated Polish experts like for instance doctors, engineers and scientists were so far hired by the Norwegian companies and as it should be clearly said thanks to many of them, the local companies have climbed to a higher level of competence.

### The labour market

At the beginning of immigration flow, the Polish citizens with almost no, or very limited language skills, were hired in different businesses, in which posts were not attractive for the Norwegians. This framed the labour market and had the impact on the Poles in Norway from the judicial point of view; they were more vulnerable because of their lack of foreign language skills, they did not know the Norwegian system, but on the contrary they were deeply motivated and dedicated to work. Some employers appreciated such workers and their attitude, and suddenly the Poles were looked upon as hard working, reliable and loyal working staff that did the work they were requested and willingly worked overtime. Other employers on the other hand took advantage from the recruitment situation, and suddenly saw that “the market rules”. They saw that if they lowered the hourly rate of the salary, they still found people to work. If they took away overtime compensation and even “traditional” Norwegian rights as holiday payment, they still found workers that more than willingly undertook the job, even though the fact that the salary and conditions were much lower than regular Norwegian workers in the same branch had been offered.

The new immigrants wanted a piece of Norway, and to get a piece, some had to accept the price that was set up by the employer. The employer followed the mar-

ket rules “offer and demand”, and did not take into consideration the law, ethics and moral rules. So many Poles being new ones on the Norwegian market accepted, without any negotiations, what was offered. If they negotiated, they were aware of the fact that the employer had a dozen others in the job line behind them. Therefore, to have a chance to commence a life in Norway, many accepted what was offered treating it just temporarily until they found something better or until they could settle down ultimately and afterwards immigrate their entire family to Norway.

Then the term “social dumping” was suddenly brought up by the labour unions in Norway, when the topic was connected with the Polish workers in Norway. The price dumping on labour was mainly a consequence of the lack of information given to the Polish workers about how the Norwegian law protects them against unreliable employers. The other factor was the market rules described above – many Polish labour immigrants that came here didn’t have an alternative. One have to keep in mind that for instance at that time there were no Polish speaking lawyers practicing in Norway, which could break the barrier between complicated judicial system and the language, so that the Poles could effectively fight for their rights already from the beginning. They did not have any voice that stood up for them and presented their point of view because they were new in Norway. The question that comes up is did the Poles in Norway manage to claim their judicial rights in Norway?

### The social dumping

The popular term “*social dumping*” is a political term often used by the mass media in different contexts, in which foreign workers are at the agenda. From the judicial point of view, the term includes a various problems that workers from Poland met on the Norwegian labour market. It can be issues like illegal housing situations, lack of salary according to market standards, and lack of having the same rights as other employees that work in the same branch. The only problem in the first years of using this term was that there were not a judicial set of standards to rely on when flagging the situation as “social dumping”. Therefore, the legislation unit had to make the standards, and the first generally applicable collective agreement that gave the right to a minimum wage for everybody in a branch entered into force as of 1.1.2007 in the construction branch. This change the meaning of the term “social dumping” from a political one to a more judicial term due to the possibility to finally rely on the relevant set of standards.

With this generally applicable collective agreement, we also received a broader informational movement among about the rights that everyone have in Norway, especially in the labour market. This made the Poles in Norway to be more aware of their rights and they learned fast to know how to claim themselves. With this measure, the labour market was more equal than before, but not yet fully balanced.

## Dismissals

The main issues amongst the Poles on the labour market in Norway were the lack of payment according to the minimum wages in the generally applicable collective agreement, lack of payment for overtime compensation and the holiday payment. When the information movement started, the Poles began to ask their employers for equal rights in comparison to the rights that the Norwegian labour law gave them, like the one mentioned above. The answer from the employer was often a surprisingly *“But you are more than you would have earned in Poland, so you should be satisfied with what I give you.”*

Some of the Polish employees gave up from the start, but others went seeking assistance through the labour inspection system or free legal aid offices. Suddenly, for the employer, workers that claimed their legal rights, commenced to be a problematic issue. And because of that fact there still were a lot of workers who wanted to have job, the employer often gave employees claiming their rights an ultimatum; *“either you resign from your rights to compensation, salary etc., or else you are fired.”*

That kind of behaviour naturally brought to the reality the numerous set of court cases about the question of illegal dismissal, where the main participants were employers from construction and cleaning businesses originating from Poland. Combined with the easy way of starting a business with limited responsibility, the employers had a mentality that *“if I lose, I just go bankrupt, and I will start a new company.”* In addition, that was exactly what often happens in cases against unserious businesses that set their own way of ruling being in contradiction with ethical, moral and government law regulations.

The possibility to claim their rights in case of illegal dismissal would be impossible without the opportunity to receive legal aid from a lawyer, which had his fees covered by the government. The legal aid system had a natural importance within making the labour market balanced for both sides.

After the introduction of the generally applicable collective agreement, the market adapted to the new situation. The Norwegian government introduced similar generally applicable collective agreements in the branches employing quite a large amount of workers from Poland and other central European countries. But the facts are that not every company had the willingness or even the financial liquidity to pay the minimum wages, so many of them started to look upon other alternatives; either of closing the business, or finding new ways of being operational. Moreover, the result was naturally that they found a new way of being operational. By “natural”, I mean that that they also could make their hourly rate higher for the customers, but the fact is that the consumer did not want to pay more than before.

Therefore, as the minimum wages started to rise, the consumer price for the service in fact did not change much. In a natural way, the employers had to find a solution. The solution, which was brought up, was a business model with no more than one or two employees, and the rest of the work force as subcontractors. Because of the easy access in Norway to run a business, a sole proprietorship for instance can be registered electronically within 20 minutes; the employer suddenly adapted this possibility to the business model in the construction and cleaning sectors.

### **Sole proprietorship or employee**

Instead of hiring employees, the employer hired a dozen of people with sole proprietorships as subcontractors. There were job interviews put in place as if it was a regular recruitment procedure for a given post, but at the end the candidates were suggested a form of establishing their own micro-enterprises rather than be offered a standard work agreement. By adapting this mode of operation to the business model, the employer was no longer responsible for paying the minimum wages set up by the generally applicable collective agreement, because a subcontractor no longer had been seen as an employee, but rather as a company. In addition, the employer was no longer an employer, but a contractor, so the terms were set between two companies without the influence of labour law restrictions or the collective agreements. That means that the former employers now received an invoice every month from the former employee, and he were no longer obligated to have any insurance, minimum wages and overtime compensation. The wages to the subcontractor were sufficiently lower than the minimum wages applicable on the basis of the binding collective agreements.

This influenced the Poles legal positions by two means; lack of stability and security through the labour law and collective agreements, and a greater risk of not receiving the salary when invoicing the employer.

On the other hand, this suddenly triggered a wave of employees urged to start their own company. Instead of working together in teams under one company, a great part of former employees went “on their own”, thinking that the grass was greener on the other side. Many former employees willingly took the step up and claimed the podium as “business owner”, but the price of that was a spectre for the new challenges.

### **The new challenges**

Sole proprietorships became popular amongst the Polish employees. The reason to that was the fact that the employees had some years of experience on the Norwegian market, and possessed basic knowledge of how the system was functioning.

Some of them, during their time as employees, learned English and others learned Norwegian. They felt that they were ready to take a step up, but the question is if they really were aware of the new challenges awaiting them? The answer is yes and no. They knew the market, and they knew how to behave while meeting the Norwegian customer, they knew the schemes that Norwegian like on renovation, the colours they like, and the standards they were expecting. But the things they didn't know were the struggle of payment and reclamation claims. The only piece of cake the new business's owners saw was that their former employer invoiced the customer twice as the price he/she paid them as employees. Many former employees ran own business without the awareness of the complicated consumer law in the field of construction law.

Many sole proprietors worked hard, more than willingly, contracting large and complicated projects. Some of them also worked as subcontractors as mentioned above. Their legal situation suddenly had changed from sitting under the umbrella called Norwegian labour law, now they were in the middle of the action at the market that for the construction branch was often called "wild west". The construction legal regulations were the first challenge that the Poles faced while starting a new construction activity in Norway. Not being aware of their wide "advisory role" as a constructor for a consumer, they faced a lot of reclamations and claims that ate up their profit.

I have often had clients telling me the same sad stories with a disappointment in their voice after months of working on the subcontractor post; *"they said that if I worked just a month longer, they would pay me as soon as they received the money from the investor"*. The result was unfortunately no payment, an unpaid invoice indicating the amount equalling to 4 months of hard work, and a claim from the contractor that the work wasn't done with respect to the legal standards, so the company refused to pay. At that moment, many sole proprietors wanted to brush the dust away from the old and safe umbrella "Norwegian labour law", and come back to the work as an employee. The challenge was that there was no way out; former employers appreciated highly the new business model, because it was more flexible. They found subcontractors when they needed them, set their own rules for the working hours, fired subcontractors when they wanted and paid invoices according to their preferences not actual terms of financial obligations.

### **Bankruptcy versus success**

Many sole proprietors had nowadays only two options either survive on the market or go bankrupt. Many survived or at least tried to survive at the market, but a lot ended up in bankruptcy debt after struggling to pay vat and other taxes. The ones that survived and made a successful adaptation of the above mentioned busi-

ness model, and started to play the same game as their former contractors, which means that they changed roles.

While the Norwegian legislation lowered the minimum share capital on limited companies the former sole proprietors started a run for registering Norwegian limited companies. They started to take upon themselves projects that were more difficult technically and take even greater risk, but now having their own team of experts as subcontractors. Many companies put in front a carrot for their trustworthy subcontractors, pointing out that they will hire them as permanent employees if the cooperation goes well. Many did that, and used the labour code's umbrella as a bargaining chip on the market. Many of these companies found prosperous partners for collaboration, and combined with a change of structure and ethics in their companies, they successfully built companies that today have numerous permanent employees and positive profits from year to year. That was a result of ethics, long distance point of view, good Norwegian skills and cooperation and often a dose of luck.

Many companies unfortunately met the bankruptcy ghost. As a result of lack of knowledge of the part of securing their own interests with a written agreement made by a lawyer, knowledge of the enterprise and construction regulation and tax/vat regulations, many companies struggled to pay vat and other taxes for the unpaid invoices issued to their contractor. As a company without having right to free legal assistance in economic queries, they were an easy victim for unfair contractors hiring them with intention to fabricate reclamation and claims so they could avoid paying in the end. Without the proper economical foundation and stability, many of those companies did not afford themselves for a long and expensive legal process against their contractor. The result of this was that they faced the bankruptcy ghost.

The one that faced the struggle with bankruptcy went ahead in different directions. Some learned from it, paid the debt and build a well-run business, others went back to work as employees and some even came back to Poland. Some exceptions wanted to still run a business, but they did not want to pay the debts, so many companies were opened in their wives' names.

### The family

Having stability and constant income are the greatest foundations to build a happy family life despite which country or region one comes from or lives in. Poles that came to Norway were looking for both those assets, namely the stability and income, so they could build a future for themselves and their relatives. The standard way of thinking among the average Poles visiting Norway for job reasons were

that it was the man who travelled to Norway first, he found a job and worked hard, so with the lapse of time he could afford a sufficient apartment to make his partner/wife and their children move there as well. They did not come to Norway to rely on the welfare state, but to find a decent job with a decent salary so they can build a stable future. Many of Poles that came to Norway are from different Polish regions and districts, but they all have one thing in common; they either had no constant job or they had a temporary job without perspectives. That is why many came to Norway to find a profession that would either build their careers or at least build a stable foundation.

It is important to have in mind that Norway is not attractive for every Pole. Poles that have stability, work and perspectives don't find Norway attractive, even though the salary might be higher.

The facts are that economical migration often have a great impact on the family that suffers that a mother or father, husband or wife has to travel abroad to earn money to make the ends meet. Poles that came to Norway often had to, at least for the beginning, leave their family in Poland. Even though technical possibilities made it easy and cheap to communicate, it did not mean that this was enough to run a normal family life in the long leap. Many relationships continued a separated relationship, in which one of the partner was working in Norway and came back to Poland every second month. The majority moved together to Norway with their children.

### **Child protecting services “Barnevernet”**

Having whole family living in Norway brought up a different set of challenges. Nowadays, one can observe a huge fear against the Norwegian child protection services, so called “Barnevernet”, among all the parents that think of moving to Norway or already have moved. The fear is based upon a wide spectre of cases where Polish children were on the agenda of “Barnevernet”. The Polish mentality is that the family is their inner golden circle that other has no right to interfere in, but the Norwegian mentality is slightly different on that issue. The truth is that saying the word “Barnevernet” out loud, gives every Pole in Norway a chill on their back. Surprisingly, I noticed the same chill among many Norwegians recently... The facts are that a mixed Europe and the European Economic Area's cooperation give a particular responsibility to try to understand each other's mentality and culture before assessing if this or that is right or wrong.

Without any generalization, I must mention that the child protection cases I had worked on, were often premature, and based upon too sudden conclusions without enough properly analysed facts, combined with a parent that did not under-



stand the role of the institution and instinctively reacted by protecting the child by locking the door to their house and avoiding to answer to the service worker if they came knocking on the door with the police staff. Then it was too late to establish a decent platform of cooperation or dialogue.

On the other hand, I personally witnessed a lot of success stories, in which “Barnevernet” involved in cases regarding family violence helped with establishing a new home and possibilities for wives and children that were the victims of family violence. Moreover, I noticed that it is a great difference among the professional staff of “Barnevernet” starting with persons eager to help and establish a platform of cooperation that really help, to the staff eager to have it their own way by all the necessary means. Because of those differences in the staff motivation and the sites of emotionally suffering Polish families, I stopped taking take those cases.

## Divorces

Challenges at the labour market, establishing of the new ground and living standards for family in Norway ends many marriages. Many wives do not adapt successfully to the Norwegian way of living. The deprivation for the family in Poland, friends and habits sometimes stands for too many obstacles and challenges for many of them.

The questions are then related to the children, e.g. which country they should live in, as well as doubts related to which country the divorce should be preceded in. In the middle of it there are children that are one foot in Norway and one foot in Poland, and the decisions are not easy to make. Therefore, there are many cases that end up in court.

The fact is that the Polish immigration is rising in numbers also in the context of being a participant in cases before the Norwegian court. Nowadays there are Polish-speaking lawyers in Norway and staff that can guide their clients through the jungle of the Norwegian paragraphs, and thereby resolve many conflicts efficiently in advance without a language barrier. The linguistic barrier is an underestimated struggle that influence the legal position of Poles in the Norwegian system.

## Solutions

Poles are the largest immigrant group in Norway that have set and will set a mark on the Norwegian judicial system in different fields of law. Awareness of the day-to-day struggle the Poles in Norway have will make it easier for the legislation authorities to foresee problems, and make legislation that will effectively avoid unwanted behaviour.

For instance, the Norwegian labour law is now going into a phase of change. One have to be aware of the challenges the employees would face when having a case against employers that run a company with limited responsibility, than rather will go bankrupt paying the proper salaries after a legal dispute. If the bankruptcy laws were stricter about possibilities to file a personal claim against the daily manager of the company, it would avoid a lot of bankruptcies. Nowadays personal responsibility issues for the manager are non-existent in the reality.

The labour inspection should have more efficient tools to give the notorious violators of the labour law an immediate fine, so the employers respect and obey the law. Nowadays it is too easy to beg for forgiveness when employers, with premeditation, have violated the law. Furthermore, the access to foreign speaking staff in public offices still should be prioritized. There have been arguments about that if there is a wide accessibility to services in the mother tongue instead of Norwegian, it would lead to a situation where Poles would avoid learning the local language. I really understand this argument, but the fact is that the lack of accessibility of proper communication does not harm the one that are in Norway several years, but only the new and most vulnerable immigrants.

In view of the described above, the legal positions of Poles in Norway are that many of them are aware of their rights, and moreover they are claiming them. That is an indicator confirming that there are issues where the legislation is not obeyed by one of the parties. Even though the Poles in Norway constitute a reliable, hard-working and productive immigrant group that strengthens the Norwegian economy, it does not mean that they will find themselves in long lasting violation of rights and dignity. The Poles in Norway want to be team players and play side by side with the Norwegians on the playground, and every playground has their own rules. In this situation the rules are set, but in my opinion, there is a lack of an effective judge that blows whistles and gives red card to the one that does not obey the rules.

## **2. POLES IN NORWAY – OPPORTUNITIES FOR THE POLISH-NORWEGIAN ECONOMIC COOPERATION**

### **2.1. Polish-Norwegian trade cooperation – general outlook**

(by Tomasz Chałupa, Trade and Investment Promotion Section of the Polish Embassy in Oslo)

The global economic recovery predicted by the IMF at the end of 2012 has failed to materialize in 2013. Instead of the expected global GDP increase in 2013 to a level of 3.6% (compared to 3.5% in 2012), the GDP growth has actually decreased, reaching the level of 3.2%. The economic slowdown affected mature economies to a slightly smaller extent (pace of growth down from 1.4% to 1.3%) compared to emerging and developing economies (down from 5.1% to 4.7%). The original economic growth forecasts for the Eurozone – which remains a key export market area for Poland – had to be adjusted to an ever greater extent. Instead of overcoming the recession during the autumn of 2012 and embarking upon a path of economic growth in 2013, the economic downturn has continued, even though the pace thereof has decreased from 0.7% to 0.4%.

Although the US economy – unlike the Eurozone – experienced another period of GDP growth in 2013, the pace thereof has declined from 2.8% to 1.9%. The CIS countries have experienced an even more notable growth slowdown (down from 3.4% to 2.2%), including, in particular, the Russian Federation (down from 3.4% to 1.3%). The economic downturn on emerging and developing markets has coincided with a certain decrease in the pace of import absorption growth on those

markets (down from 5.8% in 2012 to 5.6% in 2013). The developed markets, on the other hand, experienced a significant escalation of the pace of goods and services import growth (from 1.1% to 1.4%). The increased import absorption of those markets, combined with the fact that the markets in question account for a dominant share (82%) of Polish exports, has resulted in a substantial acceleration of the pace of export growth, from a mere 5% in 2012 to 8% in 2013.

The notable gain in Polish export, combined with a consistently slow pace of import growth in 2013 has resulted in a further, significant reduction of the merchandise trade deficit, which has plunged from over EUR 10.6 billion in 2012 to barely EUR 2 billion in 2013.

Whereas, in 2012, the pace of growth of export to the developed markets barely reached the level of 2.4% – more than two times less than the overall average export growth. In 2013, the gain on exports to these markets proved to be three times bigger than in the previous year and only slightly smaller than the overall average export growth.

The pace of export growth to the EU markets has increased from 2.3% in 2012 to 6.3% in 2013. The economic recovery was particularly notable with respect to exports to the Eurozone markets. While, in 2012, the export to the Eurozone has risen by a mere 0.7%, in 2013, the pace thereof has increased to 5.6%. This has been the consequence, inter alia, of a significant upsurge of the pace of growth in exports to Germany, rising from a mere 1.1% in 2012 to nearly 8% in 2013. However, the growth of exports to CIS markets has concurrently experienced a threefold decrease, with a fourfold slowdown in exports to the Russian Federation (down from 25% in 2012, to slightly above 6% in 2013). The significant recovery in terms of exports to EU markets in 2013 has coincided with a further, substantial improvement in terms of the balance of exchange (up from EUR 20.7 billion in 2012 to EUR 24.5 billion in 2013).

Favourable changes and tendencies in terms of exports to the developed markets, including, in particular, EU markets, which have occurred in the previous year may, on the one hand, serve as a testimony to the relatively high degree of competitiveness and the potential of Polish exporters in terms of their capacity to adjust to the strict requirements in terms of demand which exist on these challenging markets, while, on the other hand, it also proves the key position of the markets in question insofar as the development of Polish exports is concerned in the nearby perspective, even despite the occasional business fluctuations.

Among top Polish export partners in the EU, the considerable growth was noticed in the case of Germany (by 5.9%, to EUR 38.2 billion), Czech Republic (by 4%, to over EUR 9.4 billion), Sweden (by 8.9%, to EUR 4.2 billion and Slovakia (by 7.9%, to EUR 4 billion).

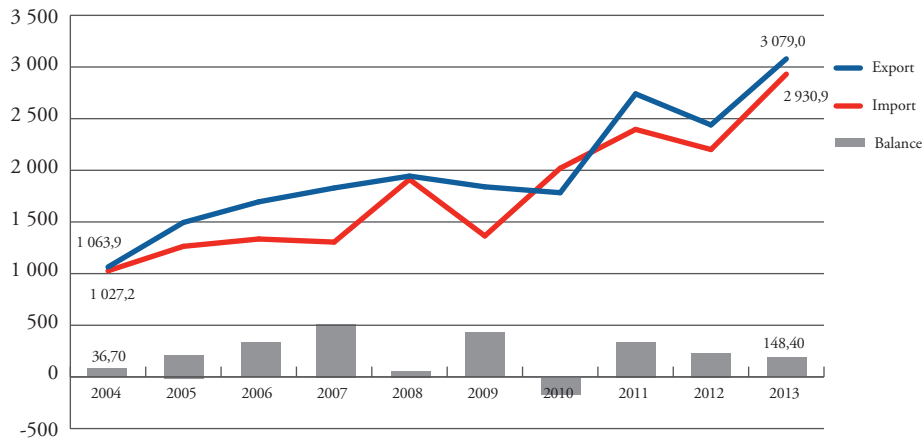
**Table No 1. Top 20 Polish export and import markets in 2013.**

Export to:		EUR bln	Import from:		EUR bln
1	GERMANY	38.888	1	GERMANY	34.006
2	GR. BRITAIN	10.079	2	RUSSIA	19.047
3	CZECH REPUBLIC	9.596	3	CHINA	14.623
4	FRANCE	8.703	4	ITALY	8.356
5	RUSSIA	8.147	5	NEDHERLANDS	6.080
6	ITALY	6.691	6	FRANCE	5.991
7	NEDHERLANDS	6.150	7	CZECH REPUBLIC	5.755
8	UKRAINE	4.307	8	USA	4.172
9	SWEDEN	4.207	9	GR. BRITAIN	4.109
10	SLOVAKIA	4.091	10	BELGIUM	3.621
11	HUNGARY	3.948	11	SPAIN	3.365
12	USA	3.643	12	SOUTH KOREA	3.155
13	SPAIN	3.447	13	SLOVAKIA	3.116
14	BELGIUM	3.424	14	SWEDEN	2.949
15	NORWAY	3.079	15	NORWAY	2.931
16	AUSTRIA	2.729	16	AUSTRIA	2.789
17	DENMARK	2.623	17	HUNGARY	2.583
18	LITHUANIA	2.357	18	JAPAN	2.153
19	ROMANIA	2.313	19	DENMARK	1.929
20	TURKEY	2.294	20	TURKEY	1.819

Source: Trade and Investment Promotion Section of the Polish Embassy in Oslo on the basis of CSO data

Polish-Norwegian trade cooperation over the last several years has grown both on the export and import side much faster than the total Polish trade. Since 2004 up to 2013 the trade turnover between Poland and Norway (export + import) increased by over 187%, when the total Polish trade value increased by almost 135%. In the period given, Polish export to Norway grew from EUR 1.064 billion to over EUR 3 billion, when import from EUR 1.027 billion to EUR 2.931 billion (chart 1). What is crucial, this tendency has affected positively the balance of trade, which in 2013 amounted to over EUR 148mln, so over four times more comparing to the year 2004.

**Chart 1. Trade cooperation between Poland and Norway in the period of 2004–2013 (EUR mln).**



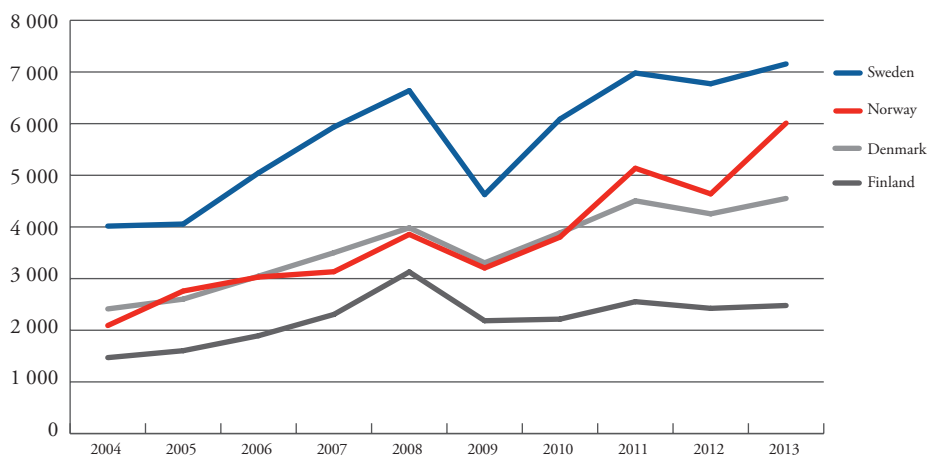
Source: Trade and Investment Section of Polish Embassy in Oslo on the basis of CSO data

Wide range of trade value fluctuations on both export and import side observed in the course of the analysed period, was mainly associated with a poor diversification of the trade exchange structure. The predominant share of three main groups in the total trade (in case of export approximately 45% and import 55%) ties its value with the economic situation in these three industries sectors.

Moreover, what is worth noting, is the very specific nature of the top three trade industries sectors, especially in case of the most important that is import and export so 'Cruise ships, boats, ferries...'. Its characteristic feature is the realization of long-term contracts accounted for in the form of the single payment. As a result of that, in a few years' time interval, there were years with the accumulation of this type of contract settlement – (resulted in a significant increase in export / import) – and the years when there was no conclusion of contracts large enough to have the impact on maintaining the trade turnover in a given industry, thus both total exports and imports recorded a drastic decline. This correlation was sharply noticeable in the period of 2011–2013.

Comparing to the results of Polish trade cooperation with other economies in the region, on the course of last 10 years period, Norwegian one has recorded the biggest growth in terms of total turnover of goods with an increase of 187.4% (Denmark +88.6%, Sweden +78.2% and Finland +68.6%). However, it is still not as high as in case of Sweden, where the sum of export and import has exceeded EUR 7bn in 2013 (chart 2).

**Chart 2. Total turnover of trade cooperation between Poland and Denmark, Finland, Norway and Sweden in the period of 2004–2013 (EUR mln).**



Source: Trade and Investment Section of Polish Embassy in Oslo on the basis of CSO data

### Trade results in 2013

Economic cooperation between Poland and Norway in 2013, expressed by the trade value has significantly improved. This reflects the global markets condition, with the special regard to the EU Single Market. Norway, as a target market for Polish products in 2013, took 15th place in terms of export (in 2012 – 17th) and 14th in terms of Polish import (in 2012 – 18th position).

**Tab. 2. Trade cooperation between Poland and Norway in the period of 2012–2013.**

	Export		Import		Turnover In EUR mln	Balance
	In EUR mln	% change yoy	In EUR mln	% change yoy		
<b>2012</b>	2 439,4	-11,9%	2 200,8	-8,2%	4 640,2	238,6
<b>2013</b>	3 079,3	26,2%	2 930,9	33,2%	6 010,2	148,4

Source: Trade and Investment Section of Polish Embassy in Oslo on the basis of CSO data

Data presented above shows that the main source of a highly dynamic growth of trade between Poland and Norway in 2013 was a solid increase in imports ( $\uparrow$  33.2%), while in a previous year this category recorded a negative percentage change. It is worth pointing out that the export side kept the pace as well with the growth of 26.2%, when in 2012 shrank by almost 12% yoy. As a result of that the balance of trade has deteriorated from EUR 238.6 million to EUR 148.4 million.

Both the export and import escalation in goods turnover with Norway in 2013 was much higher than in the case of Polish trade turnover in total.

**Tab. 3. Top 5 Polish export goods (4-digit CN code level) to Norway.**

NO	CODE	GOOD	VALUE (IN EUR mln)	TOTAL SHARE IN EXPORT
1	'8901	CRUISE SHIPS, BOATS, FERRIES AND OTHER TRANSPORT VESSELS	874,1	28,4%
2	'8904	TAGS AND PUSHER CRAFTS	261,3*	8,5%
3	'7308	CONSTRUCTIONS, AND PARTS OF BRIDGES, TOWERS, ROOFS, RAILINGS, COLUMNS	238,4	7,7%
4	'8906	OTHER, WAR SHIPS, RESCUE BOATS, ETC	113,8	3,7%
5	'8431	PARTS SUITABLE FOR USE SOLELY OR MAINLY FOR MECHANICAL EQUIPMENT FOR LIFTING, TRANSFER AND MOVEMENT OF GOODS (LIFTS, CRANES, DOZER, ETC ...)	93,6	3,0%

Source: Trade and Investment Section of Polish Embassy in Oslo on the basis of CSO data;

\* Trade and Investment Promotion Section of Polish Embassy in Oslo estimation

Among the top five goods exported from Poland to Norway, the largest representation constituted products of heavy industry, particularly steel and transport. The main recipient of the Polish production in Norway is fuel/offshore sector (transportation of raw materials). At the very first spot, taking the value into account, the Polish export to Norway comes to *'Cruise ships, boats, ferries and other transport'* with the contribution to the total Polish export of 28.4%. On a yearly basis, this group has recorded over 11% growth, which additionally lifted up the overall Polish export value.

The trade structure of import was very similar. This is due to the fact that Polish companies import certain goods to process it – mainly steel structures, ships and other floating structures. After completing the order product is re-sent to the customer, thereby generating the opposite flow of export. As a result of that, the group of *'Cruise ships, boats, ferries and other transport'* – with the growth of 26% yoy – achieved in 2013 contribution of 20.5% in a total Polish import from Norway.

The first position of this group both in export and import is mainly due to the specific nature of the industry, where goods (e.g. structure of the ship or other vessel) is first transported from Norway to Poland – then it is qualified as Polish import. After the repair/installation the vessel is transported back to the customer in



Norway – then its value is classified as a Polish export. Taking into consideration the fact that a given commodity (e.g. ship) shows after repairs or any other service higher value, in trade statistics it is reflected on the export side (ready ship), which is higher than the import side (unprocessed structure of the ship).

**Tab. 4. Top 5 Polish import goods (4-digit CN code level) from Norway.**

NO	CODE	GOOD	VALUE (IN EUR mln)	TOTAL SHARE IN IMPORT
1	'8901	CRUISE SHIPS, BOATS, FERRIES AND OTHER TRANSPORT VESSELS	600,9	20,5%
2	'0302	FISH FRESH OR CHILLED, EXCEPT FISH FILLETS AND OTHER FISH MEAT	518,2	17,7%
3	'2709	OILS AND BITUMINOUS MINERALS	500,4*	17,1%
4	'8904	TAGS AND PUSHER CRAFTS	285,3*	9,7%
5	'7601	UNWROUGHT ALUMINIUM	166,4	5,7%

Source: Trade and Investment Promotion Section of the Polish Embassy in Oslo on the basis of CSO data;

\* Trade and Investment Promotion Section of Polish Embassy in Oslo estimation

A large share in import of Norwegian goods to Poland in 2013 was fresh and processed fish (over 20%), which are imported mainly by the Polish as well as foreign – fish processing plants located in Poland. It should be noted, however, that the import of fish from Norway to Poland represents almost 80% of the total fish import to Poland from around the world and each year it is steadily growing (since 2004 increased nearly 8-fold). It is worth noting that Poland imports from Norway five times more fish than from Sweden, which ranks second in terms of value of fish imported to Poland.

## Perspectives

Taking into consideration the dynamic turnover ratio between Poland and Norway noticed throughout the last few years and still considerable demand for exported Polish goods (for instance: *'Cruise ships, boats, ferries and other means of transport'*, Norwegian global import amounts to EUR 3bn, while from Poland is around EUR 0.9bn EUR) it is reliably expected that this tendency in the present market condition will remain the same for the next few years.

What indicates this, among others, is the specification of the average growth rate of turnover in the years 2004–2009 and 2010–2013. The escalation of the export and import rate in 2010–2013 (average annual export growth of 17%, import 23%),

after the period of the steady but slow sales growth in the years 2004–2009 (the average annual export growth 12%, import 9%) indicates an increased Norwegian interest in Polish production and the other way round.

It mainly combines with the constantly growing Norwegians' needs for goods and services from the sectors that are well-developed in Poland, but which the inner Norwegian market is able to accommodate only to the limited extent, that is to say: steel, machinery and construction sectors. This fact is crucial for highly ambitious infrastructure investment plans of the Norwegian authorities (National Transport Plan 2014–2013), mainly in the traffic and railway domain.

An additional non-economic factor in this pro-development aspect is still noticeable phenomenon of Polish emigration to Norway. What follows, it increases the interest in Polish market, on the one side constituting highly qualified man-power in the construction, shipbuilding, engineering industry, while from the other lobbying that is increasingly visible in the sections of purchasing management in Norwegian companies in favour of Polish commodities.

Bearing in mind the above, we expect that the Polish-Norwegian trade is going to maintain escalating tendency. However, we cannot exclude periods of intensified fluctuation, which can be mainly the result of the previously mentioned poor diversification of the Polish export market.

## 2.2. PGNiG in Norway. Investing in the Norwegian oil and gas industry.

(by Sławomir Hinc, Director General, PGNiG Upstream International AS)

### PGNiG Capital Group

PGNiG Capital Group is the leader of the Polish natural gas market, as well as the only vertically integrated gas company in Poland. Its parent undertaking is Polskie Górnictwo Naftowe i Gazownictwo (PGNiG). Formation of the Group' enabled coordination of the upstream and downstream operations – from exploration and production to storage to trade and distribution of gaseous fuels. The roots of the companies forming PGNiG date back to 19th century – to the beginnings of Polish and world oil industry. The company has been operating under the name PGNiG since 1982. In 1996, the state-owned company PGNiG was transformed into a joint stock company.

The Company owes its competitive edge on the gas market (which is now in the process of deregulation), chiefly to the natural gas and crude oil production. The core business of the PGNiG Group includes trade in and distribution of natural gas. Following the separation of its gas trading business from the operation of the gas distribution network – completed in 2007 – the entire trading business has been taken over by PGNiG and transferred to PGNiG Retail, while distribution is now handled by the Distribution System Operator belonging to the PGNiG Group.

PGNiG and the companies in PGNiG Capital Group are responsible for:

- Gas and crude oil production
- Gas and crude oil fields development in Poland and abroad
- Gas import to Poland
- Storage of gas in underground gas storage facilities
- Distribution of gas fuel
- Gas retail in Poland, Germany and Austria

### PGNiG Upstream International AS

PGNiG Upstream International AS is responsible for both exploration and production of oil and gas on the Norwegian Continental Shelf (NCS) as well as for coordination of the international upstream activities of the PGNiG Group. The Company (previously known as PGNiG Norway AS) was established in May 2007 and has its office in Sandness. It is a fully owned subsidiary of PGNiG SA.

In the years 2007–2012, PGNiG Norway focused on the E&P activities on the Norwegian Continental Shelf. Over this period the Company grew and gained significant experience. It participated in the Skarv investment and brought this field on stream at the end of 2012. At the end of October 2014, the Company purchased shares in four fields from Total E&P Norge AS. The transaction involved three producing fields (Morvin, Vilje, Vale) as well as one field in the development phase (Gina Krog). The Company also made significant progress in the exploration area on the NCS. It submitted applications for new production licenses in almost all licensing rounds since 2008 and identified other opportunities to buy or farm in. Those efforts resulted in several acquisitions in years 2008–12. The current portfolio consists of one Business Unit, Skarv, and 12 production licenses on the NCS.

In addition, the Company drilled several exploration wells and participated in few commercial discoveries, including the Snadd North gas field. In 2010 the Company was prequalified as the operator on the NCS by the Ministry of Petroleum and Energy. Afterwards it was awarded its first operatorship over production license (license PL648S). All the above-mentioned achievements were possible also due to the strong support and the financial strength of the mother company in Warsaw. Historical development of PGNiG in Norway was funded by intercompany loans as well as the reserve based loan issued by the international banks involved in oil and gas sectors.

PGNiG Upstream International AS will continue activities on the NCS. The further engagement in Norway is in line with PGNiG's strategy. The Norwegian Continental Shelf is recognised as an important area for international upstream activities and has a significant exploration potential. PGNiG has committed substantial resources to expand in Norway and has created the largest centre of PGNiG's activities outside Poland.

In order to meet its strategic goals, PGNiG Upstream International AS is planning different types of activities on the NCS:

- Participation in the Skarv Project – the Skarv field is the key asset of the Company with recoverable reserves of 546 million barrels of oil equivalents (including 65 million barrels owned by PGNiG). The field is operated by BP with Statoil and E.ON Ruhrgas as the other owners. It started production at the end of 2012 and is believed to bring net production to PGNiG in excess of 15 thousands boed.
- Further business development activities – in addition to the above-mentioned project the Company is planning to secure more oil and gas reserves through its own E&P activities. PGNiG Upstream will consider further acquisitions, farm-

ins and participation in licensing rounds as the means to increase its documented reserves.

In addition, from the year 2013 PGNiG Upstream International AS has become a decision centre responsible for international upstream activities of the PGNiG Group.

PGNiG Upstream International has the ambition to become an active exploration company, building its presence in certain, carefully selected core areas on the NCS. In addition to the Skarv project, the Company is planning to secure more oil and gas reserves through its own E&P activities. The above-mentioned activities should lead to prove additional hydrocarbon reserves for PGNiG. Exploration activity is one of the main tools for long-term growth for PGNiG Upstream International AS. The Company is closely monitoring acquisition market within NCS area and keeps analysing various business development opportunities with a purpose of achieving achieve optimal asset portfolio mix.

## SKARV

The key asset of the Company is the Skarv field discovered in 1998, which was developed together with the neighbouring Idun field. During 2007 the Skarv and Idun licenses were unitized and are now only referred to as the Skarv Unit. The Skarv and Idun fields lie in the Norwegian Sea and are located approximately 35km south of the Norne field and 45km north of the Heidrun field. The distance to the onshore base at Sandnessjøen, the nearest city is 210km. The water depth at Skarv is approximately 350 metres. The Skarv/Idun field contains hydrocarbons in several reservoirs and structures. Roughly 75% of the unit resources are gas, while the balance 25% are condensates and light crude oil.

Table below summarizes the interests in the production licenses underlying the Skarv Unit. The expiry dates of the respective production licenses are also listed:

**Table 1. License interests in the Skarv Unit.**

Production licenses		Skarv Unit	PL 159	PL 212	PL 212 B	PL 262
Statoil	Partner	36.1650 %	60.0000 %	30.0000 %	30.0000 %	30.0000 %
E.ON Ruhrgas	Partner	28.0825 %	40.0000 %	25.0000 %	25.0000 %	25.0000 %
BP	Operator	23.8350 %	0.0000 %	30.0000 %	30.0000 %	30.0000 %
PGNiG UI	Partner	11.9175 %	0.0000 %	15.0000 %	15.0000 %	15.0000 %
License valid to:			03.03.2029	02.02.2033	02.02.2033	02.02.2033

#### Main facts about Skarv:

- The field is located in the Norwegian Sea, 300 km northwest of Trondheim
- Skarv is located in well-developed area between producing fields (Norne, Heidrun, Åsgard)
- Skarv was discovered in 1998 and the development plan was sanctioned in 2007. Currently it is one of the biggest development projects on the NCS.
- Total development cost is estimated to be approximately USD 6.5 billion (PGNiG's share 0.8 billion USD)
- Start-up of gas export – January 2013

#### Development concept:

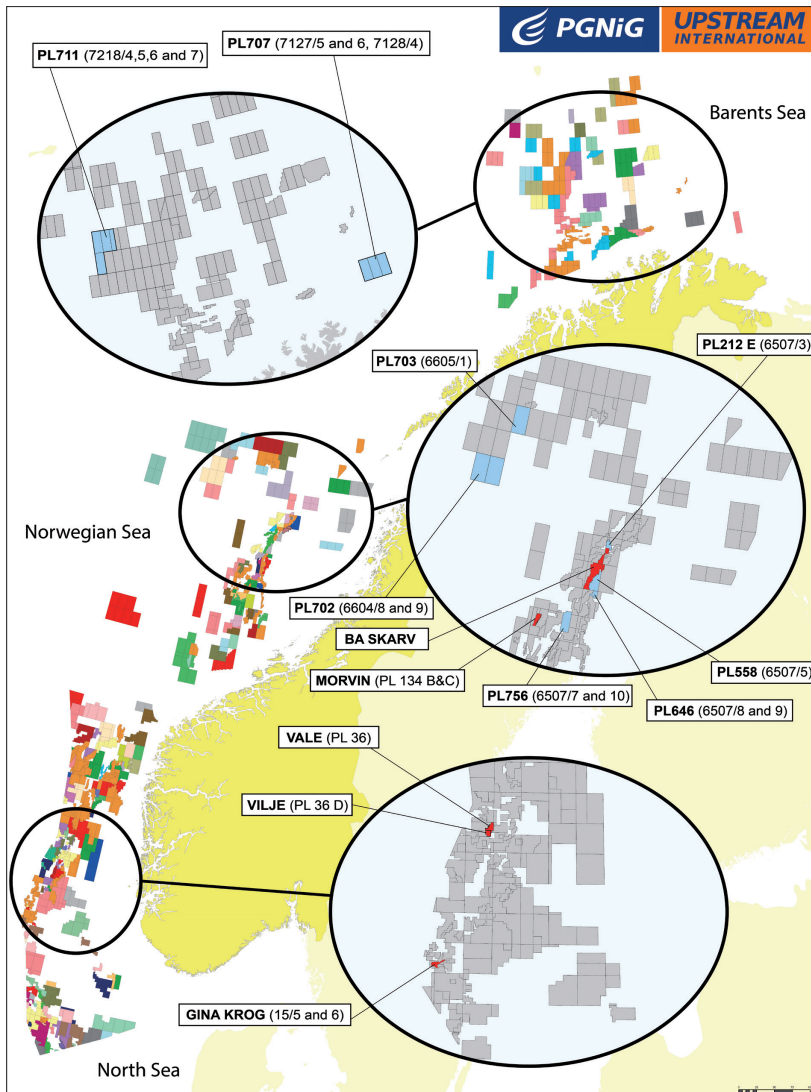
- 17 wells drilled through five subsea templates
- Templates tied back to the Skarv FPSO (Floating Production Storage and of floating vessel)
- Oil and gas will be separated on the FPSO (oil offloaded by tankers from FPSO and gas exported via pipeline)

#### Main facts about the Skarv FPSO:

- Brand new FPSO built in South Korea (owned by partners)
- Overall cost of FPSO (-USD 2 billion incl. in project budget)
- Largest harsh water gas processing FPSO in the world
- Length – 292 meters, breadth – 50.6 meters, depth – 29 meters
- Storage capacity of 875,000 barrels

Together with Skarv, the Company runs exploration activities in the neighbouring areas (i.e. PL212E, PL558, PL646). There are also additional identified resources and perspectives in the Skarv Unit. These exploration prospects can be developed as tie-backs to the existing infrastructure and can increase the rate of return of the main project.

Below is an overview of the Company's exploration portfolio:



### PL212E (15%)

The license was carved out of the Skarv Unit after the unitization agreement in 2007. The license is operated by BP (30%) with Statoil (30%), E.On Ruhrgas (25%) and PGNiG (15%) as partners. The work programme for the license has been fulfilled.

In 2012 the license partners drilled an exploration well and made a new gas discovery in the PL212E (Snadd Outer). The discovery lies close to the Snadd North gas

discovery and borders of the Skarv field. Recoverable reserves of the Snadd Outer discovery have been preliminarily estimated by the operator at the level between 2 and 4 billion cubic metres of natural gas. The license partners are now completing a comprehensive evaluation of the Snadd Outer resources, which will enable them to estimate probability of their future development.

### **PL558 (30%)**

PGNiG was awarded a 15% interest in the license as a result of the APA 2009 Licensing Round. The operatorship of the license was awarded to E.On Ruhrgas (30%). PL558 is located within block 6507/5 and can be seen as a potential tie-back candidate to the Skarv field. In 2011, PGNiG purchased additional 15% interest in that license from Nexen. The remaining partners in the license include: Det norske oljeselskap (20%) and Petoro AS (20%). The license includes very interesting exploration targets with the potential to discover both oil and gas. From April 2010 to October 2011, 3D seismic data were reprocessed and license prospectivity was evaluated.

### **PL646 (20%)**

The license was awarded in the APA 2011 Licensing Round. PL646 is situated directly to the South of the PL558 license in the core area of Paging's activities. The operatorship of the PL 646 license was awarded to Wintershall Norge ASA (40% interest). The other partners are: Lundin Norway AS (20%) and Norwegian Energy Company ASA (20%). The licence partners have purchased a multicient survey covering the license area.

### **PL702 (40%)**

The license was awarded in the 22nd Licencing Round. PL702 is situated in the deep water province of the Vøring Basin, about 120 km southwest of the sanctioned development of Åsta Hansteen. This part of the basin has been established as a second core area for PGNiG's activities (after the Skarv area). The operatorship of the PL 702 license was awarded to OMV (60% interest). The licence partners have just started the initial process to reprocess and merge seismic data together with the PL703 licence. This data will likely be available by the end of 2014 in order to either further support a drill or drop decision in June 2015.

### **PL703 (40%)**

The license was awarded in the 22nd Licencing Round. PL703 is situated in the deep water province of the Vøring Basin, about 80km west of the sanctioned de-



velopment of Åsta Hansteen. This part of the basin has been established as a second core area for PGNiG's activities. The operatorship of the PL 703 license was awarded to OMV (60% interest). The licence partners have just started the initial process to reprocess and merge seismic data together with the PL702 licence. This data will likely be available by end of 2014 to support a drill or drop decision in June 2015.

### **PL707 (30%)**

The license was awarded in the 22nd Licencing Round. PL707 is situated in the south-eastern part of the Barents Sea named the Finnmark Platform. The licence is about 50km off shore and 150km to the East of the Goliath field. The region is seen as virgin oil prone province with only a few wells drilled in the 80-90's, some with promising results. Only one other licence is active in this region at present and our plans are to develop this region into a third core area for PGNiG. The operatorship of the PL 707 license was awarded to Edison (50% interest). The other partners are North Energy (10%) and Lime Energy (10%). The licence partners have just started the initial process to further analyse the prospectivity. The work performed should support a drill or drop decision in June 2015.

### **PL711 (20%)**

The license was awarded in the 22nd Licencing Round. PL711 is situated in the south-western part of the Barents Sea into the Bjørnøyrenna Basin, west of the Loppa High. The licence is about 200km from shore and 50 km east of the Johan Castrup discoveries. This part of the basin is seen as large and virgin gas prone province. Only a few wells have been drilled, mostly in the 80-90's. The last few years drilling has unrevealed the Johan Castrup field (4-600mboe) and several wells are planned by other companies the next 12 months. Our plans are to develop this region into a fourth core area for PGNiG. The operatorship of the PL 711 license was awarded to Repsol (40% interest). The other partners are OMV (20%) and Idemitsu (20%). The licence partners have just started the initial process to further study the prospectivity. The work performed should support a drill or drop decision in June 2015.

### **PL756 (50% and operator)**

The license was awarded in the APA 2013 Licensing Round. The license is situated south of the Heidrun and east of the Smørbukkk fields. The license covers an area of approximately 171 km<sup>2</sup>. No drilling commitments have been made so far. The partner is Idemitsu (25%) and Rocksource (25%).

### **MORVIN (6%)**

The Morvin field is situated 200km offshore on the Norwegian Sea, with a 350m water depth. The field was discovered in 2001 and brought onstream in August 2010. Statoil is the operator of the field (64%). The other partner is Eni (30%).

### **VILJE (24,24%)**

The Vilje field is situated in the northern part of the North Sea, north of the Heimdal field. Statoil was the operator for the Vilje field originally, but transferred the operatorship to Marathon Oil Norge (46,91%) as of 1 October 2012. Statoil is the other license partner (28.85). The oil production from Vilje started in 2008.

### **VALE (24,24%)**

Vale is an located 16km north of the Heimdal gas field. The water depth in the field area is 115m. It is considered a satellite to Heimdal field and is connected to it by a pipeline. The Vale field is operated by Centrica (50%) and the other partner is Lotos (25,8%).

### **GINA KROG (8%)**

Gina Krog is located about 30km northwest of Sleipner on the North Sea with a water depth of 120m. The field has substantial reserves which place in the major project leagues and represents a new lease on life for hydrocarbon production in the Norwegian North Sea. Gas was proven in the Gina Krog discovery as early as in the 1970s. In 2007, gas, condensate and oil were discovered in the Ermintrude prospect. Appraisal wells drilled on Gina Krog from 2008 to 2011 and proved an oil column under the gas. The Gina Krog field is expected to go on stream in the first quarter of 2017.

## 2.3. Polish Companies – legal challenges when entering the Norwegian market

(by Lars Berntsen, Advocate/Partner, BERNGAARD/SANDBEK AS)

### Introduction

In November 2014 the Polish Embassy in Norway is hosting the conference "The Polish Community in Norway". In connection with this conference I have been asked to provide a legal perspective on some challenging aspects that the Polish actors may be faced with while working in Norway.

I am a lawyer and partner at the law firm Berngaard/Sandbek, which is based in Oslo. Our firm mainly provides counsel to actors in the construction industry, as well as clients within the IT markets. I am also a board member of the Norwegian-Polish Chamber of Commerce (NPCC). Through my daily practice I have made notice of certain challenges which Polish professionals are often faced with in their day-to-day work. These observations have been supplemented by conversations with several of the members of the NPCC, and this insight is also part of the foundation for this article.

This article will address a few typical issues, which Polish actors often come across while establishing their businesses or completing single jobs in Norway. I will not go in depth in the regulations itself, just use the legal subjects, as examples on issues the Polish companies need to address. Issues relevant for private persons will not be part of the presentation.

### The original plan

It has become a rather common occurrence for us to meet with Polish entities eager to "have a go" in the Norwegian market. A typical case is where one has managed securing a contract for a specific project, and this is meant to function as a test of whether establishing a permanent operation in Norway is a profitable option.

Opportunities will often appear rich as there is a lot of activity and better prices than on the Polish markets. It is also likely that lower pay and production costs will provide a competitive advantage. In addition, the general tax levels will appear lower than in Norway.

In this situation it has been customary for the Polish businesses to only move essential manpower and production capacity to Norway, while the legal entity and administrative organization remains in Poland. This solution works as an alternative to creating a new legal entity to provide the legal support system for the activities

in Norway, and by making such arrangements one intends to achieve the best of both markets; keeping the cost low in Poland, while getting paid according to the price levels in Norway. Initially this could be a good plan. However, it often turns out that these prerequisites are not fulfilled. Firstly, costs often arise significantly over the budget. Secondly, incomes tend to be lower than expected. The question is therefore what happens between planning and execution.

### **Should the entity be registered in Norway or in Poland?**

The first important premise for planning is the question of where the business will pay the least amount of taxes. In Norway the corporate tax level is 27%, while it is 19% in Poland. The basis of calculation is somewhat different in the two countries, but it is the common assumption that one in most cases will end up with a lower tax burden in Poland than in Norway. This normally leads to a plan, or a strategy if you will, where the entity is made a tax subject in Poland, not in Norway.

Between Norway and Poland there is a tax agreement in place, mainly in order to prevent double taxation. This means that a Polish business freely can complete a project or fulfilling a contract in Norway, while retaining its right to only pay taxes in Poland. However, this only applies up to a certain point. It is a premise in the tax agreement that a business shall pay their taxes to the country where it has "permanent establishment". The determining factor is therefore that there is not an activity that is considered to create a permanent establishment in Norway. The rules to determine this border are complex, but as an example we can use the 12 months rule for a building site as a permanent establishment. If the business has had activities at a building site for 12 months or more, this will be considered a permanent establishment in relating to taxation, and any turnover from this site will have to be taxed in accordance with Norwegian rules and tax levels. If the plan is to complete a contract in 10 months, but a delay occurs in the project, it may quickly happen that the working period ends up exceeding 12 months. It will not matter that other may be responsible for the delay; the period is assessed completely objectively without regards to the cause of the project running longer than planned.

We have also seen examples of parties trying to avoid this problem by leaving the site after 11,5 months, and compensating their customer by performing jobs at other building sites for the same customer. Normally, the times at different building sites are not added up, as long as they are considered separate projects, and with different customers. However, when one performs jobs at different sites for the same customer and possibly under the same conditions, it may be considered the same project, and the time at every site could be accumulated, quickly leading to taxation under Norwegian legislation.

As we witness the small margins that the actors in the construction industry have in the Norwegian market, a change in taxation domicile can quickly make a project less profitable. The company may have calculated their prices very low to appear attractive to Norwegian buyers, and so they end up with a poor net return compared to the risks involved. This means that if a business wants to plan in order to optimize operations in relation to taxation, it is necessary to attain advice from competent counsel to insure the result is as planned. If the business does not possess this knowledge internally in the business, it could be necessary to seek out external advisors.

We sometimes see that not all competence is good competence; it is only the cheaper one. Other times we see that a business has asked for advice, but that the advice is not precise enough or that the business has been inaccurate in following the advice they have received.

Our experience is that the most difficult situations arise in the borderline cases. The planning has been exact and the limits pushed as far as possible. In these cases one carries the risk that Norwegian authorities disagree in the business' dispositions and conclusions.

As long as it has not been reported to Norwegian authorities that the business has a permanent establishment in Norway, and tax returns have not been filed or taxes paid to Norway, the tax relating to this project is reported and paid to Poland. The risk is then that the Norwegian authorities, through an ensuing control assess the case differently, and that the taxes should have been paid to Norway. This only relates to the activities in Norway, not the entire business. A decision against the business could include both the corporate tax as well as an additional tax for failing to file the proper tax return in the first place. These decisions may be protested, but if the authorities do not reverse their decision the tax will be levied, forcibly if necessary.

In order to change a decision one has to bring the case before the courts. Such a process may be both time-consuming and expensive. Court proceedings will normally not stop the levy, but if the proceedings are successful the money will be refunded.

Even if Norwegian authorities find that the business should pay taxes to Norway, Polish authorities may not agree. In a case of ensuing Norwegian control, the control and the decision of tax domicile come after the tax has already been reported and paid to Poland. Norwegian authorities on their part will to a very little extent take into consideration that the turnover has already been reported to Polish authorities and taxed there.

We sometimes see that the control and tax claim concern several previous years of business. In these cases the business have to bring the Norwegian decision to the Polish authorities and ask that parts of the turnover from these years is extracted from the basis of taxation in Poland, and that parts of the paid tax is refunded. We have experienced that this is not necessarily easy.

There are mechanisms between Polish and Norwegian authorities where the tax authorities agree on which country the tax should be paid to. There is therefore every reason to trust that a case concerning double taxation can have a reasonable solution. The challenge is that one may risk a liquidity load that may constitute a problem over time. We have seen companies having to file for bankruptcy due to such liquidity issues.

In the example above we have used the rules concerning permanent establishment at a building site. These rules naturally also apply to other locations than building sites, other industries and the presence of entities in Norway measured in months. Tax planning by "shopping for the best domicile" therefore requires careful planning and consideration.

Our advice in this relation is therefore to use caution before choosing an offensive strategy in tax plans. In many cases, the costs of doing this thoroughly and correctly will exceed the profit for most enterprises. Good taxation advice is expensive, and one should expect knowledgeable advisors to charge major fees. It is also our opinion that one should attain counsel in the country where a contract or job will be executed, as national authorities may have different views on the interpretation of the tax agreement. This must be reflected in the advisors opinion. If the goal is to plan in accordance with Norwegian authorities' practice, we recommend attaining Norwegian counsel in order to avoid unpleasant surprises.

The easiest approach would be to use substantial margins in the planning, as well as taking into account that one might end up with the least advantageous tax alternative in the end.

### **Competitiveness – Norwegian or Polish wages**

Generally the operating costs are considerably higher in Norway than in Poland. One of the main causes is the difference in the wage levels in our two countries. Within the construction industry, shipyard industry, agriculture and gardening as well as sanitary industry we have a set of rules regarding minimum wage. Everyone working in these industries must be paid in accordance with these rules. The wage levels are set based on collective agreements in each industry, and it is not an option to deviate from these rules in the employment agreement between the business and the employee.

Initially, one could assume that this removed a lot of the competitive advantage for Polish businesses, but it is our experience that these industries have been understaffed to such an extent that Polish businesses can compete even though they are forced to maintain wages in accordance with the Norwegian minimum levels.

In addition, functions of a more administrative nature is often not regulated by minimum wage rules, meaning that one can maintain a lower cost level for this part of the enterprise.

Our digital world also means that many of these administrative tasks can be placed with the mother company in Poland in any case.

Our experience is that Polish entities for the most part are informed of these sets of rules. Those who do not have the necessary knowledge, have normally chosen to ignore it based on the philosophy that "we will make it work until we will not."

One option that very few businesses choose to utilize is drawing up a collective agreement with their employees which deviates from the rules in the Norwegian Working Environment Act. Notably this is only an option for the statutes that allow deviations by agreement. This especially involves statutes regarding working hours, overtime, working on Sundays and holidays and night work. These examples are not exhaustive.

It cannot be a goal for the entity to eradicate all the rights that the employee has gained through the Working Environment Act, but a Polish employee who finds himself in Norway for a limited period of time may have other needs than employees living in Norway permanently. For guest workers it may be an attractive solution to work a lot in one period and then have longer periods of time off, in order to travel to visit family and such.

On the other hand, it is my opinion that there has been put too much emphasis on competing solely on the basis of prices. If the business exclusively promotes low costs, it is difficult to be perceived as anything other than cheap. Elements such as quality, reliability, and feasibility have slowly become more important in the Norwegian market, also when buying services from Eastern Europe. Naturally, in order to succeed one must appear competitively priced, but this should not be the one and only competitive side of the business. Many Norwegian actors who depend on sub-contractors have experienced that it may not always turn out to be cheap buying from the cheapest supplier. The demand for suppliers who can deliver both competitive prices and quality has increased, and quality could often compensate for not being the cheapest.

The competitiveness of Polish entities does therefore not only depend on lower wages, it is also important to be able to deliver a quality product. The cost of re-deliveries due to deficiencies will in most cases exceed the cost of the original delivery. Such extra costs might affect other sub-contractors on the project as well, because the customer is delivering a final product to his client. The more complex the final product is, the more important is the quality focus in the project. It does not matter if the concrete elements being delivered from Poland are cheap, if they arrive too late. In a large construction project where many other contractors will be left waiting at the site with their workers and equipment, the costs of a delay could become enormous, and the savings of buying cheap concrete elements quickly evaporates.

### **Knowledge of Norwegian contract law**

An expression states that the best contracts are those left in a drawer. Unfortunately, it has been a long time since disagreements were solved with a handshake, and that the parties did not need to formalize their relationship.

In today's globalized world, more and more industries are consolidated and managed in accordance with corporate principles where the return of the capital is the only true measurement. The parties are often large entities where the gallery of persons continuously changes, and the real decision makers are far from where the actual cooperation is going on. In this world the contract is the only governing tool when a discussion between the parties arises. In the industry we know best; the construction industry, it is not a question of if there will be discussions, but when.

Knowledge of contract law is normally an underestimated asset with most actors that we get to know. This is true for both Norwegian and Polish actors, although it is more apparent with new Polish businesses.

In Norway we are free to make pretty much any agreement imaginable. There are rarely issues with agreements that have been constructed and drawn up by both parties, as long as both parties has had a conscious idea of what is written down. The problems commonly refer to what is not addressed in the written document.

The biggest challenge is found in the construction industry, where we have large standardized contracts, which the parties sign. The problem is not with the contracts themselves, but they are extensive, and require a certain experience in working with them. The Norwegian Standard contracts creates duties for the parties to act a certain way in certain situations, for instance to give notice of any deviations or additional claims. If the formalities are not adhered to, the claims are lost.



As an example we can imagine a large construction project where the main contractor continuously changes the project to accommodate the wishes of his client, while the sub-contractors from Poland changes their deliveries based on the request of the main contractor, believing they will be compensated for any additional costs. In addition to the project changing along the way, the prerequisites for the delivery might have changed. This could involve the allowed time to perform the work, or how the work is to be performed in relation to other deliveries and contractors.

When you, as a supplier, present an offer for a job, these parameters are always important in order to estimate the price. This means that changes in the project leads to changes in the cost for the job. In most cases changes involve an increase of cost, which has to be compensated if the calculations for the project are to hold up. This is a need that has been accounted for in the standard contracts, but it requires that the supplier presents and uphold certain notices, by certain deadlines.

Businesses in the construction industry, including Polish businesses, are generally bad at attaining this knowledge. This leads to claims based on changes or unforeseen events which cannot be blamed on the supplier, being lost. We experience almost every month that millions disappear from the pockets of our Polish clients, because they have not complied with the formalities in the contracts.

In an industry as dependent on capital as the construction industry, lack of contract understanding and experience is a major financial cost. We believe there is a huge improvement potential by building and strengthening such competence internally.

If we look at major, and medium sized, Norwegian contractors, most of them have internal legal staff, or an established lawyer connection that goes through all contracts before signing, and continuously follows up the projects if necessary. In addition, all project managers are drilled in annual seminars on the Norwegian Standard contracts, and the focus on this knowledge is constant. In this area, many Polish actors have a lot to learn.

At the end of each construction project, there is a so-called final settlement. This is also the time where the parties finally are able to see if they have made a profit or will be taking a loss on the project. It is not uncommon for the persons involved in the final settlement to be rewarded with bonuses if the project was a success, or that the bonus of that year disappears if the numbers are bad.

This means that even before the discussions begin, there are incentives on a personal level, to pay the other party as little as possible, or opposite to get as much from

the claims as possible. In these situations the settlement is rarely defined by what is fair or what will provide a good foundation for a long-term cooperation. Most likely the people of each side of the negotiations will never meet again. In these situations, the supplier, who wants money, will never receive more than what he is entitled to according to the contract. This means that the supplier often will experience losing a claim because it has not been handled in accordance with the formalities in the contract, even though he produced a service or product useful to the other party.

Those businesses that have this competence in place have experienced that it is financially profitable to have internal competence on contract law. Those who do not have this in place pay a costly price to learn that they should have.

## 2.4. Practical Overview of Polish Entrepreneur's Daily Business Operations in Norway

(by Polish Connections Sp. z o.o.; [www.polishconnection.no](http://www.polishconnection.no);  
co-authors: Sylwia Skorstad, Joanna Czyżewska, Barbara Krasowska,  
Aleksandra F. Eriksen, Krystyna Helińska)

*I cannot imagine achieving success without being consistent and determined. These are the qualities that allow us to move forward, without being disillusioned by temporary setbacks, and to overcome the obstacles unavoidable while running a long-standing business activity. If I am convinced about being right, I can consistently fight for it and strive toward the realization of my own ideas with great determination. This way of acting has most certainly contributed to my company achieving success.*

Irena Eris, one of the most awarded Polish businesswomen,  
the creator of the dr Irena Eris brand recognizable in many countries

Polish people are characterized by entrepreneurship. This is no myth. According to the information from the Main Centre for Economics Data, in 2013 there have been 352,000 business entities created in Poland, as much as 15% more than in the record-breaking previous year. Poles like to take things into their own hands and be their own bosses. 77% of them think that ambition is one of the keys to success. The POLPAN survey conducted every five years has resulted in the conclusion that our positive outlook on hard work as a key to success in business systematically grows. The contemporary generation of Poles continues to believe ever so strongly that it is not luck, contacts or even huge initial capital that determines whether a company is successful. It is the systematic, steady striving that does the trick.

### Among the Six Best

Polish companies appear all over the world, wherever there are Polish diasporas. In 2013, Polish people were among the six nations which most frequently opened their companies in Great Britain. At the same time in Germany, Polish people opened over 60 business entities. Polish people settling in Europe most often offer construction, transport, cleaning and catering services via their companies. They also provide hairdressing, cosmetic and care services. That is not all, however, as Polish people are active in all, also less well-known business areas. On the map of the Polish companies on the continent we can find, among others, Polish Theatre Ireland in Dublin, Polish weekly edition of 'Cooltura' in Great Britain or the less known Polish MAZURKA restaurant in Paris.

## Polish People in the Land of the Vikings

Ever since in 2004 Polish people have started to come to Norway in hoards to soon become the largest minority group here, many of them have dreamed of opening their own business in this country. The beginnings were not easy as the lack of knowledge of the Norwegian language and, furthermore, the inability to acquire the knowledge necessary to start a company were a huge obstacle for potential entrepreneurs from the country situated on the Vistula. Over time, Norwegian offices and institutions have become more accessible to the people from Poland. The most essential laws and regulations have been translated, and the first businessmen who had already acquired experience, could share their comments and advice with others.

Norwegian authorities, both the country and municipality ones, declare cooperation and support for the development of entrepreneurship among immigrants. As follows from the Norwegian Parliament's publication titled *„Innstilling fra kommunal- og forvaltningskomiteen om en helhetlig integreringspolitikk – mangfold og fellesskap”*: “The Government looks upon entrepreneurship among the immigrants as a positive input into social life and its diversity. From 2002 until 2010, the percentage point of immigrants in the group of entrepreneurs rose from 11 to 17 percent”.

Will the expectations of Polish businessmen operating in Norway and the declarations of the authorities meet? What has been the experience of Polish businessmen in Norway? How does their everyday life look like, the pros and cons of conducting their own business? Since 2004, we have offered advice to the Polish citizens living in Norway. We know the answers to these questions.

## Conducting Business in Norway Through the Eyes of Polish Entrepreneurs

Speaking of everyday life of Polish businessmen in Norway, it is worth dividing their most typical experiences into positive and negative. There is the same number of ups as there are downs of having one's own business in Norway.

Many businessmen from the country situated on the Vistula river have an interesting perspective on the Norwegian market because their point of reference is their experience in Poland. This is worth emphasizing. The evaluation of the miscellaneous processes connected with entrepreneurship in Norway is not unilateral, but seen from the angle of solutions of a country belonging to the European Union. Combining the experiences from both countries provides a unique perspective.

## POLISH BUSINESS WITH A VIEW ONTO THE FIORD: ADVANTAGES

### 1. Less Bureaucracy

In Norway you can start a company without leaving the house. It is enough to send an appropriate form via mail or electronically. You can communicate with banks and institutions in the same way. The identification number pertaining to public personal data opens a number of electronic doors. With its help, as well as thanks to special codes, an entrepreneur can basically get to any necessary institution via Internet. There is no need to queue, to provide documents or to waste time for travelling from one authorized office desk to another. This is the first advantage of running a company in Norway, which is looked upon with satisfaction by many businessmen coming from Poland.

The bureaucracy, less frequent than in Poland, also results from the fact that in Norway an entrepreneur running a sole proprietorship company has more economic freedom. The institutions do not require that he contact them constantly and report, in particular if the company does not generate income for a period of time.

### 2. Refinancing

In Norway there are a number of possibilities to receive refinancing for running a business activity. As an example, there are incentives for businesses in scarcely populated northern areas of the country, where authorities willingly invest in supporting entrepreneurship as such activities help stimulate the market.

Each entrepreneur who has an innovative project can sign up to, among others, an exceptionally active state business, Innovation Norway, which stands out against other such institutions in Europe. Innovation Norway, with its regional and international branches, promotes industrial development on the local market and develops economic potential of municipalities, while promoting Norwegian inventions, businesses and tourist regions on the global market. Polish people conducting business activity in Norway can also apply for grants for their projects of interest.

### 3. Benefits of Training

*An important component for achieving success is a good professional background and constant training. New technologies for communicating knowledge, e.g. the Internet, are very often useful in this context.*

Professor Józef Pacyna,  
Director of Research at the Norwegian Institute for Air Research (NILU),  
Director of the Department for Environmental Impacts and Economics at NILU  
in Oslo,  
Winner of the 'Outstanding Pole' 2014 contest in Norway

In Scandinavia there is a lot of emphasis placed upon raising qualifications and acquiring new competences. 'High competences' and 'skills' are key words in business in the land of the fiords. The officials' correct standpoint is that the more an entrepreneur knows, the fewer mistakes he/she makes and the less it costs the state. Therefore, at the very beginning, the people who have opened their own business are invited for a course lasting several hours by a local tax office division. They can receive materials, basic information necessary to run a company, as well as answers to the most important questions, all for free. A lot of knowledge useful to entrepreneurs can also be found on the offices' and institutions' Internet pages. Additionally, the costs of educating oneself and one's employees can later be deducted from tax.

### 4. Higher Income

Irrespective of which Norwegian area a company is active in, its income is higher than that of a corresponding company in Poland. And that is even after we have taken into account higher taxes. There will be more money left in the pocket of an entrepreneur acting in accordance with the law than in the pocket of his Polish colleague active in the country situated on the Vistula and who is at the same stage of his business development.

### 5. Flexibility for Tax Settlements

Entrepreneurs in Norway enjoy a more extensive than in Poland flexibility when it comes to making tax advance payments. When a company is going through a rough patch and its income is dropping, it can reduce the advance payment by means of a simple procedure.

## 6. Company Division

*'The world has become global, and Poland is a part of it, hence we need to find our role here.'*

Jan Kulczyk, the richest Pole

Those Polish businessmen who have opened in Norway a division of a company whose headquarter is located in Poland, can under certain conditions take advantage of the possibility of having their company's income taxed in Poland. This is a very profitable solution. Taking advantage of is possible so long as they have spent up to 183 workdays on a given project in Norway, if a contract/related contracts have not exceeded 12 months, and the income achieved in Norway has not been higher than 50% of the entire company income. All of this is thanks to the treaty for the avoidance of double taxation between Norway and Poland.

## 7. More Careful Planning

*'Both the Norwegian market, as well as its customers, is fairly sound, which makes for easier planning and time management.'*

Janusz Skiba, Polish businessman in Norway, Selt Norge AS

Norwegians like to plan far ahead. Even a small event is written out on a paper a couple months prior to the actual start. This enables planning of one's own tasks and a more effective time management at work for the businessmen.

## **POLISH BUSINESS WITH A VIEW ONTO THE FIORD: DISADVANTAGES**

### 1. High Taxes

Income tax for companies is high according to the entrepreneurs with Polish roots. It is 28%. What is worth mentioning here is the culture-psychology aspect. Polish people, at least the large part of the generation which grew up prior to the system change, has a relatively small knowledge of how the tax system works and of the advantages of paying taxes. Many people have a partial understanding of the subject of the circulation of money, and do not fully grasp the methods of distribution and source of financing of municipal and budget projects.

## 2. High Social Insurance Contributions

Sole proprietors pay 11.4% in social insurance contributions and, according to them, they do not receive a lot in return. This basic contribution does not give them the right to receive sickness benefit until the 17<sup>th</sup> day of illness, and even then they get only 65% of their earlier personal income.

To obtain more, you need to pay more. With a contribution of 11.4% plus 1.6%, you can bank on receiving the benefit from the first day of illness. By paying an additional 2%, you also become entitled to receive an equivalent of 100% of the earlier personal income from the 17<sup>th</sup> day of illness. However, the one who pays an extra 10.3% of the contribution has the right to receive the benefit in the equivalent of 100% of their earlier personal income from the very first day in case of illness.

What is more, income from a sole proprietorship company is not taken into account while considering the right to the so-called daily wages, hence in case of unemployment, there is no entitlement to the unemployment benefit. People running a sole proprietorship company do not fall under the regulations of the Norwegian equivalent of ZUS with special privileges in case of an accident at work, therefore they are advised to sign any insurance agreement covering them in case of an accident at work and damages caused by potential unfavourable conditions at work at their own discretion.

## 3. 'All in Good Time'

Polish businessmen in Norway often complain about the indolence of local institutions. Sometimes you have to wait for weeks for an answer important from a business point of view, all due to the lack of time to provide such an answer. Sometimes it may also happen that resolving an essential matter occurs long after the company is closed, when no one expects it anymore. Officials give the impression that they have a lot of time to deal with the applicant's case. The thing is he himself does not have that much time.

Another problem voiced by Polish entrepreneurs in Norway is the inaccuracy of institutions. The officials happen to lose documents, provide incomplete or incorrect information and they do not keep the dates agreed upon during telephone conversations or visits in person.

## 4. Pitfall of Double Taxation

Sometimes, due to insufficient knowledge, Polish entrepreneurs with offices of their companies in Norway break the treaty for the avoidance of double taxation.



As a result of the lack of knowledge of regulations and the negligence of certain steps that could prevent it, they become taxed in Norway. Sorting out the situation with institutions may in such a case take a lot of time and energy.

## 5. Must Pay

*'I don't pay good wages because I have a lot of money; I have a lot of money because I pay good wages.'*

Robert Bosch

In the case of a Norwegian branch of the Polish enterprise, the employment costs for workers here are a lot higher than in Poland. An employee carrying out his duties in Norway must be paid a lot more than in Poland, which can be a shockingly high expenditure for a Polish entrepreneur. Even though in Norway there are no obligatory minimal wages, still the four main sectors (construction-assembly, shipping, cleaning and agricultural-horticultural) are under payment regulations, which means that they require not only minimal wages, but also precisely stated terms of employment. For example, in the construction sector, in case of a worker employed in Poland, the employer has to provide him not only with a minimal wage, but also cover the costs of transport between his place of residence and Norway, and provide board or allowance and accommodation.

Polish entrepreneurs with a company office in Norway sometimes fail to comply with the regulations to provide their employees working in Norway with appropriate gratification and working conditions. Most often, this happens as a result of the misinterpretation of the law or the lack of knowledge.

## 6. Joint Liability

In Norway, an entrepreneur has to keep an eye on his subcontractors because he can be held accountable for their mistakes. Should it happen that a subcontractor does not provide his employees with a regulated salary or turns out to be insolvent, the main customer may be held accountable. As this is a law without a Polish equivalent, it is something new for Polish businessmen. Without this knowledge, they can pay the consequences.

## **IT CAN ALWAYS BE DONE BETTER: THE MOST IMPORTANT CHALLENGES**

There are things a businessman has no or very little influence over. He cannot influence tax rates or officials' duties, as well as the content of the bills regulating the

norms he must abide by in practice. However, there are also a number of things that he can control. Let us focus on the most important challenges for Polish entrepreneurs in Norway.

## 1. Build a Network

*‘Understand that you can’t achieve your dreams if you don’t connect with people who guide you to improve upon the skills you have.’*

‘Shaping the dream’ Israelmore Ayivor

‘A network of contacts’ is another term often used in Norway and somewhat underestimated in Poland. We only discover the importance of having such a network when it is no longer there, so after moving to another country.

It takes years to create a network of contacts, without any special effort, as if on the margin of our everyday activity. We gain a circle of friends at every stage of life. Colleagues from elementary school, pals from the soccer team, friends from high school, acquaintances from the army, then from the university, the first job, a group we share a hobby with. An average 30-year-old already has a couple of hundred people in their network of direct contacts that he can use while opening his own business. Statistics show that there is also a potential business partner there, a few clients, a couple of valuable advisers, as well as people who can recommend his services. This is important initial capital.

A Polish businessman in Norway usually does not have a network of friends nor has a rather modest social circle at his disposal. His network is in Poland, therefore outside the borders of his business activity. Devoid of its support, he is in for a more troublesome start than his Norwegian counterpart, who starts his business in a well-known environment.

Creating a new network should be one of the top priorities for a businessman in a new country. This cannot be done in an artificial way. The best method is to be socially engaged. A person who has many hobbies – does sports, is active politically or in charity – can, within a period of a few years, gain a fairly large circle of friends whom he will have a positive relationship with. A person focused only on work and home will need many more years to achieve this.

A large group of Polish people in Norway sees Norwegians as people who have difficulties making truly sincere new contacts, and who have problems with interpersonal communication. It is difficult to state how much of this is true, but it is definitely worth paying attention to the fact that age is an essential factor in this context. We usually make friendships for life and numerous acquaintances in the

first quarter of our lives in order to devote more energy to close family and work later on. A 15-year-old arriving to a new country will find close friends relatively easily, whereas for a 30/40-year-old it will not be so easy anymore.

It is also worth bearing in mind that even a 40-year-old may create a network of contacts in a new country rather quickly. All he needs is determination, an open mind to the new reality and decisiveness.

## 2. Learn the Language

*'Nothing in life should be feared, it only needs to be understood.'*

Maria Skłodowska-Curie, double winner of the Nobel Prize

The knowledge of the Norwegian language in business is as important as in everyday life. Without it, there is no access to a number of laws and regulations, you need to devote a lot of time to have letters translated and offers for local customers prepared. Without a solid knowledge of Norwegian, it is more difficult for an entrepreneur in Norway to find clients, advertise successfully and, finally, to communicate with customers correctly. Relatively simple formalities, such as invoicing or correspondence with institutions, can be difficulty that cannot be overcome.

Therefore the language is the priority. It is worth taking up a course in Norwegian even prior to the arrival in Norway, and then takes every opportunity to improve it.

## 3. Overcome 'The Curse of Przemysław'

*'If I am to tell a true story, I have to start with my name.'*

Kendrick Lamar

Let us imagine that we have a simple service to commission – painting a wall in the living room, renovation of a garage or repair of an electrical installation. With the help of the Internet search engine, we look for a specialist in the area whom we could quickly delegate the task to. We only find two names on the list of potential companies – Kutrapoliskunosiskos and Jensen. Who do we call? The vast majority of customers in such a situation will choose the name that is easier for them to pronounce. There is no discrimination lurking behind this choice, but simply comfort. Foreign-sounding, difficult to pronounce names suggest problems at even the easiest level of communication. If they find their way into the company name, the beginnings can be really difficult.

Research conducted for the Norwegian portal, E24, confirms this. It turns out that people with foreign-sounding and difficult to pronounce for Norwegians last names, as company owners and directors are more prone to bankruptcy than an average Nordman, which is a Norwegian equivalent of the average Kowalski in Poland. The authors of this mini analysis have grouped all the bankrupts who have announced insolvency in 2012 according to the popularity of their personal data. In the group with rare names, 9 out of 10 positions were occupied by Polish people. On the website of one of the Polish portals, in an article pertaining to this matter, we can find the following:

*'In the group with the least popular names (at least five directors of companies registered in Norway have such a name), 9 out of 10 of the unlucky people have Polish sounding names. For every seven Przemyslaws who ran a company, three went bankrupt, for every twelve Jerzys, four announced insolvency, and for every twenty Marcins, five went bust. Michals, Rafals (statistical chance of bankruptcy is 25%) and Stawomirs (23,53%) were not lucky in business either. Right after them are Kenneth, Zbigniew, Marek and Piotr.*

*The biggest unlucky man in the group is Przemysław. Statistically speaking, the likelihood of his company going bust is 42,86%!*

Przemysław as an entrepreneur has a lot to overcome in Norway before he even starts his own business for good. Why? Because his name is difficult to pronounce, spell and remember. This suggests to a potential customer that in case of cooperation, this will only be the beginning of all the inconveniences. Because what if Przemysław, a person coming from outside of Norway, is not familiar with Norwegian customs and norms? Maybe he does not speak Norwegian well enough? Maybe there will need to be a lot more energy devoted to this relationship than to other business contacts? Maybe, then, it is easier to choose Jensen's company, or that of the local Ola Nordmann, to save oneself any potential problems?

Should a Polish businessman change his personal data for that which is easier to pronounce and remember by Norwegians? No. Since coming from outside of Norway can become a brand. It all depends on us and the reputation that we will acquire with time.

What all the troubled potential customers and business partners of entrepreneurs with a background other than Norwegian do not know, is the fact that the very existence of Przemysław's company, as well as that of any other foreigner in Norway, is the evidence of his drive, ambition and strength of character. Moving to another country requires more determination and courage than those devoid of such experiences might think. Starting everything anew, finding the consent within your-

self to go back to the level of a student and building a network of contacts from scratch, learning the language, getting to know the written and unwritten customs of a new country, teaching the rules in a work environment, and finally being independent enough to start one's own company, is a task that only the persistent could tackle. That Przemysław, who is starting his business in Norway, has gone through a number of stages, during which he has shown humility and ambition. He will not give up after the first blow, he is dependable. And that is why it is worth paying attention to a company in Norway that is run by someone with a foreign last name.

## **ENDING: LONG WAY**

We have come a long way since 2004. At that time setting up a company in Norway by a Polish person was connected with a lot of worries, most of which were very reasonable. Norway was not ready for such an influx of foreigners, institutions were lagging behind with applications for residence and work permits. For public administration, employers, as well as for an average Norwegian, this was a new situation. There were queues in institutions and people had to wait for months to have their applications reviewed. It also happened that instead of starting a business, Polish people began working illegally as the administrative apparatus did not comply with their needs. Polish companies did not have a brand or reputation, they were just as foreign as the Polish people moving to Norway. Looking for information on how to run one's own business in a different language than Norwegian was also in vain.

Today, there are thousands of companies established by the Polish people active on the Norwegian market. Businessmen from the country situated on the Vistula River can be met in any sector, not just services, construction or transport. The economic activity in Norway was opened mainly thanks to lawyers, journalists, tradesmen, trainers, professional and business counsellors, psychologists, doctors and artists from Poland. Currently, our companies win contracts worth millions in Norway. They compete on the local market, offering a high level of competences, endurance and respect for hard work.

Since 2004, we have built as many bridges between Poland and Norway as never before throughout history. We have made better partnerships on many levels – trade, diplomatic, cultural and research. And most importantly, Polish people and Norwegians have gotten to know each other better. 10 years ago, we were divided into 'locals' and 'foreigners'. Today, we are neighbours, colleagues, friends from a sports club, and parents with children in the same school or business partners. We are friends.

There will be more of the Polish companies in Norway, as well as of the Polish-Norwegian cooperation. In a couple of years, the generation of Poles that was raised by the fiords will start thinking about their ideas for life. There lies an almost indescribable potential in them. The generation, the majority of which uses three languages fluently, that is used to an open world, international contacts and meetings, as well as using modern technology and means of communication. The generation, which measures distance in hours on the plane, because ever since they were children, they have frequently travelled between countries. Without any conflict, it combines the heritage of two cultures; it can use both the typically Norwegian peace and the Polish 'claw' in private and professional life. It has two spiritual homes, and two countries close to its heart, as well as a natural network of contacts on both sides of the Baltic Sea.

For the representatives of this generation, there will not be much that will stand in their way. We cannot wait to see the fruits of their creativity.

## 2.5. Poland and Norway – 25 years of good relations

Jakub M. Godzimirski, Research Professor, Norwegian Institute of International Affairs (NUPI)

On 5 June 1989 almost forty million Poles woke up in a new country. The results of the partially free elections in Poland held on June 4, 1989, changed the political landscape of the country beyond recognition. On 13 December 1981, it could look like as if Poland's dream of freedom was shattered with the introduction of the martial law. Eight years later Poland's communist rulers realized that they had to reach a political compromise with their former opponents. A special piece of furniture – a round table – was built and invitation was issued to the opposition to start political talks on the future of the country. The aim of this political turnaround was to co-opt some key political groups to acquire a new political legitimacy and share the responsibility for the necessary economic reforms with the opposition. The unintended consequence was the end of communist mismanagement of the country.

This political revolution also had major consequences for Poland's international position. In 1989 Poland was a Soviet vassal state with a command economy and authoritarian rule; In 2014, Poland is a full member of two Western European clubs – EU and NATO – has functioning democracy and market economy that has recently managed to cope with the gravest economic crisis in the recent history of Europe better than any other economy in the EU. It does not mean that all the problems are solved once and for all. Poland still faces many social, economic and political challenges. There is still high level of unemployment and relative poverty; the political scene has been strongly polarized and internationally Poland faces a resurgent Russia that has challenged the existing political and security order with its actions in Ukraine. However, the country has made a significant step in the right direction and perhaps for the first time in its recent history its security is safeguarded by the Polish membership in what is believed to be the most efficient military alliance in the world.

In this short text, I will look more closely at how the political changes in Poland have influenced the relationship between Poland and Norway. The two countries have their specific characteristics, each of them has a special history, but despite great differences they also have a lot in common. When writing about current history it is often easy to see individual events but difficult to detect long lines of development. This text attempts to show both dimensions and to paraphrase a Norwegian proverb: see not only the individual trees, but also the whole forest of Polish-Norwegian relations in the recent past.

Let us first clarify what the reader will find – and not find – in this short text. Firstly, we present the big picture, look at the relationship between Poland and Nor-

way from a bird's eye view and put this relationship in a larger European context, where it naturally belongs. Secondly, we look at a number of issues in the bilateral relations between Poland and Norway, such as economic and political conditions. Thirdly, we look at the human dimension to see how the macro-political and macro-economic developments have helped to open a new chapter in the relations not only between the two countries, but also between the two communities.

### **The big picture: Poland and Norway on the map of Europe after 1989**

Before we look at how the relations between Poland and Norway have developed after the fall of communism, we must first look at how the major events in Europe have influenced the development of both countries and the impact this has had on their bilateral relationship. When the Poles flocked to vote on 4 June 1989 to reject communism, this could happen not only because of what had been happening in Poland, but also because of what had been happening in Europe. What were the main driving forces that had influenced the situation in Europe in the late 1980s, and how these forces have since 1989 contributed to development of Polish-Norwegian relations?

Among the many processes that had contributed to this, at least three should be mentioned here. First, there was the growing dissatisfaction with the communist system that increasingly had exposed its economic inefficiency and oppressive character. When Polish workers went on strike in 1980 they forced the authorities to what would prove to be a temporary compromise, lasting only until 13 December 1981, when the government declared a state of emergency in the country.

Second, discontent with the communist system reached the peak in the Soviet Union only five years after the Polish uprising. When the old guard of Soviet leaders died out in the early 1980s, the road was open for a new generation of leaders, with Gorbachev at the helm. This new generation launched reforms, such as glasnost and perestroika that were to improve the old system, but made it obsolete and irrelevant. The empire that was to be modernized through those reforms had not survived the cure and collapsed in 1991.

An important element in the new Soviet approach was the departure from the so-called Brezhnev doctrine that was used to justify Soviet interventions in countries trying to get rid of the imposed communist ideology. This paved the way for the Polish compromise of 1989 and contributed directly to the collapse of communism, first in the outer empire, and then in the Soviet Union. This ideological and systemic collapse resulted in a political, geopolitical and ideological vacuum. This vacuum could be filled by new ideologies, and all countries in the region had to decide what new future they wanted to build for themselves. They faced difficult stra-



tegitic choices. They could continue their cooperation with the Soviet Union and later Russia. They could form a regional alliance and build regional alliances and institutions. They could also decide to stay neutral, following the Swedish or Finnish example. They could hope that that a pan-European organization, the OSCE, would serve their interests best. And finally, they could choose to join the existing Western European organizations, primarily the EU and NATO.

The fact that Poland decided to embark on the policy of first rapprochement and then joining the Western European clubs – NATO and the EU – was the third most important factor shaping relations between Poland and Norway since 1989. Both the EU and NATO had formulated their respective admission requirements. All countries that wanted to be members of one of these organizations had to fulfil those requirements. They had to have a functioning market economy, a functioning democracy, strengthen the rule of law, protect their minorities and have resolved all issues with their neighbours before they could ever dream of being offered a place in these two exclusive Western clubs. In the case of Poland it took ten years from the country rejected Communism in 1989 to 1999 when the country could take its place in NATO and fifteen long years before the dream of Polish membership in the EU came true in 2004.

### *Poland and Norway as partners in the Western security community*

The Polish-Norwegian military cooperation in fact goes back to 1940, when Polish troops participated along with Norwegian, French and British troops in battles at Narvik. After the fall of communism, this collaboration was further strengthened when Poland became a member of NATO in 1999.

Since 1999, Poland and Norway are thus allies in NATO. The main reason for both Norway and Poland to seek membership in NATO was the two countries' geopolitical location. What contributed most to both the Norwegian and the Polish decision to seek closer security cooperation with the United States and other Western powers, was the fact that both of them had to live in what could termed long 'geopolitical shadow' cast first by the Soviet Union and after 1991 by Russia. Having the largest country in the world as their nearest neighbour to the east still proves to offer great challenges for both countries. Between 1999 and 2004 Poland and Norway were the only NATO countries with a land border with Russia.

In the very same period Russia underwent an important transition from the chaotic Yeltsin period to what turned out to be no less than – for the time being – fifteen years of Putin's rule. Until around 2006 it could seem that Russia could one day join the Western community, but in 2006 Russia decided to, as Dmitrii Trenin put it, to leave the West. For both Poland and Norway relations with Russia will in

the foreseeable future remain an important element in the countries' strategic calculations. The membership in NATO is in both countries viewed as the best way of tackling the Russian strategic challenge. The fact that Russia that in the meantime has embarked on an ambitious rearmament program and has shown the will, the interest and the ability to use military means to address political challenges in its neighbourhood in 2008 in Georgia and in 2014 in Ukraine has made NATO membership even more relevant for both countries. This explains also why they both countries have tried to make NATO pay more attention to its traditional core tasks such as collective defence, and focus less on its participation in expeditionary missions far away from its core area. The idea of NATO returning to its near abroad was supported by both Poland and Norway at the last NATO summits in Lisbon in 2010 and in Wales in 2014.

The fact that Poland and Norway are members of the same alliance has helped to strengthen security cooperation between them. Even before 1999 the two worked closely to address security problems in Europe. From 1995 to 2000 Polish and Norwegian forces, together with some others, worked in the Polish-Nordic IFOR / SFOR Brigade in Bosnia and Herzegovina. In 1999 both they both took part in the alliances intervention against Serbia, an intervention that was to put an end to the ethnic cleansing in Kosovo. In 2001 both countries supported by the UN-mandated Western intervention in Afghanistan, and both have since contributed forces to a NATO-led operations in this country. In 2003, when the United States and the UK attacked Saddam Hussein's regime in Iraq, Poland decided to go along with its key allies, while Norway decided that joining this coalition of the willing was not in its interest. In 2011 Norway decided to play an active part in NATO-led operation in Libya while Poland abstained from taking part in this operation.

Norway has also decided to transfer some of military material to Poland to help strengthen the country's military capacity. The important thing here was the transfer of five modernized Norwegian submarines of Kobben-class of the Polish Navy in the period between 2002 and 2005. In addition Norway has become an important supplier of modern weapon technology to Poland that has generated huge incomes to the state owned Kongsberg Group – in 2009 the value of the weapons export to Poland was more than 72 million NOK and in 2012 it increased to almost 273 million NOK.

### ***Poland and Norway: Economic Community***

The Polish membership in NATO opened a new chapter in the security cooperation between the two countries, but it was only after 1 May 2004, when Poland became full-fledged EU member, that Polish-Norwegian economic cooperation really took off. It does not mean that the economic cooperation had

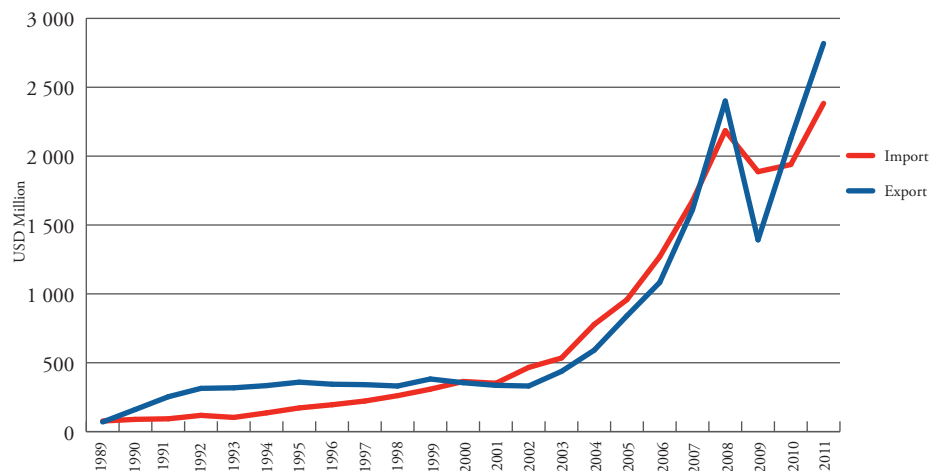
been negligible before Poland's joining the EU; it just means that this entry had created new framework conditions for economic cooperation between the two countries.

When the EU expanded with 10 new Member States on 1 May 2004, much of the basis for the fruitful Polish-Norwegian economic cooperation had already been established. EU enlargement meant that both Poland and Norway strengthen their economic ties because both are now linked directly to the European Single Market – Norway through its extensive EEA agreement and Poland as a new EU member. This dynamic growth is illustrated in the graph below showing Polish-Norwegian trade in the whole period.

During the last three years prior to the EU enlargement in 2004 Norway had an import surplus with Poland. In 2002, Norway exported for more than 2.3 billion NOK, while the Polish exports to Norway were at just over 3.7 billion NOK. In 2003, exports to Poland decreased by 3.6%, while imports from Poland had increased by 5.7%. The most important Norwegian export goods were fish, which in 2002 accounted for 30.6%, while imports from Poland consisted of hardware (32.8%) and iron and steel (14%). Norwegian companies had invested about five billion NOK in Poland, and it was further plans that would result in new investments of over 499 million in the coming years. There are more than 150 Norwegian companies through all these years that have entered Poland, the main of them are Norwegian Hydro, Statoil, Orkla, Rema 1000, Steen & Strøm and Norgips.

Trade between Poland and Norway from 1989 to 2011 (millions of US dollars)  
(data from IMF Directions of Trade Statistics)

#### Export and Import from Norway to Poland in USD million



Although fish is the most important Norwegian export article in trade with Poland, Poland also hoped that Norway could supply Poland with gas and help in that way address the country's energy security dilemma by making Poland less dependent on supplies of energy from Russia. Choosing Norway was a logical step because of its geographical location and the fact that Poland sought rapprochement with Western European structures and institutions.

Under Prime Minister Jerzy Buzek's visit to Norway in May 1999 a memorandum on Norwegian gas deliveries to Poland. Norway was to provide 500,000 cubic meters of gas to Poland every year since 2001, but in the long term, Poland was interested in buying more Norwegian gas to diversify its gas supplies. Under Prime Minister Jens Stoltenberg's official visit to Warsaw in July 2000, Polish and Norwegian authorities agreed that both countries state gas companies were to negotiate a major agreement for Norwegian gas deliveries to Poland. According to this agreement, Poland was to import up to 5 billion cubic meters of Norwegian gas per year and ensure that Norway could place even greater quantities of gas on the Central European market to make this deal more profitable for Norwegian gas producers.

The negotiations between Polish and Norwegian companies took more time and the final agreement was signed in the presence of the two countries' prime ministers in Oslo on 3 September 2001. According to this agreement, Poland was to buy up to 74 billion cubic meters (bcm) of Norwegian gas worth 100 billion Norwegian kroner between 2008 and 2024. This agreement had both an economic and a political dimension. Norwegian gas deliveries would make Poland less exposed to political pressure from Russia, and the treaty was 'sold' to the Polish public as Prime Minister Buzek's major economic and political accomplishment. However, just three weeks after the agreement had been signed, Buzek's coalition lost power to left-wing coalition led by Leszek Miller who only one year later declared the agreement dead. The Polish dream of Norwegian gas as a counterweight to the energy dependence on Russia was crushed. Also the second attempt at building gas connection between Norway and Poland – the so called Skanled project could not be realized due to the economic crisis that hit potential buyers of Norwegian gas in both Norway and Sweden in 2008.

It is however possible that Norwegian gas will reach Polish consumers after the opening of the Polish LNG terminal in Swinoujscie in 2015 as Norway has shown interest in supplying its LNG from Melkøya terminal to customers in the Baltic Sea region after signing of the deal on supplies of gas to the Lithuanian LNG terminal in Klaipeda.

Polish membership in the EU has opened a new chapter in the economic cooperation between Poland and Norway. Both participate actively – though in different

roles – in the European economic and political integration project. The goal of this project is to create a common economic space with free movement of capital, services, goods and labour. The latter in particular has had consequences for bilateral relationship. In Poland, Norway has traditionally been seen as a wealthy country with many opportunities, and many Poles have decided to seek fortune in Norway even before the EU enlargement in 2004 that has opened up new opportunities for Polish citizens. Relations between Poland and Norway do not have only the interstate character – with the inflow of almost 100 000 Poles to Norway after 2004 also the human dimension of this relationship is becoming very important.

### *Polish-Norwegian relations: the human dimension*

Thanks to political reforms introduced in Poland in 1989 Poles could easily travel to Norway, which in 1991 removed the visa requirement for Polish citizens. With this opening and the fact that the Norwegian authorities opened to provide official work permits for seasonal workers, many of them decided to get a job in Norway. The country was still seen as an attractive labour market – the high wages in Norway were seen as an important pull factor, while the growing unemployment in Poland was an important push factor.

Until 1 January 2002, there were only three groups of job seekers from Poland who could enter the Norwegian labour market. These were Polish seasonal workers, who have dominated this segment of the Norwegian labour market altogether, Polish specialists many of whom moved to Norway in the 1990s to meet the country's need for highly specialized labour; and the last group were those who decided to try to find their place at the Norwegian black labour market, where it apparently was room for many thousands of 'shadow workers'.

The largest of these groups were seasonal workers, who were allowed to work in Norway for a few months and then had to return to Poland. Since the early 1990s, Norway has seen a steady influx of Polish seasonal workers – the number of applications for temporary seasonal work of Polish workers ranged from 1155 in 1990 to 3816 in 2002. In 2000 there were 7177 Polish seasonal workers in Norway, in 2003 this number increased to 10492. They constituted a large proportion of seasonal workers who came to Norway in this period – 72% in 2000 and almost 60% in 2003.

After the Norwegian authorities introduced new, less restrictive rules for labour immigration through the so-called specialist scheme on 1 January 2002, many Poles used also this opportunity. But it was first and foremost the opening of the Norwegian labour market for EEA citizens in 2004 that has changed this picture – the Polish community in Norway has grown – as the table below illustrates – exponentially.

What distinguished the Polish seasonal workers from Polish specialists and labour migrants coming to Norway after 2004 is that the latter could also settle in Norway and thus increase the number of Polish – and former Polish – citizens living in Norway. According to Norwegian figures on 1 January 2004 there were just over 11,000 people with background from Poland living in Norway. 2741 of them still had Polish citizenship, while the rest acquired Norwegian citizenship after living in the country for more than seven years.

**Table 1. Number of Polish citizens and former Polish citizens living in Norway.**

	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Poland</b>	8096	10938	17747	30636	42471	49309	56878	67339	76662

The influx of Polish labour migrants to Norway has not been met with only enthusiasm. On the one hand they were, literally, building Norway because many of them had found a job in the Norwegian construction industry, and many Norwegian experts believed at this time that without Poles the Norwegian building boom would have stopped. On the other hand, there are many who fear that the widespread social dumping and pressure on Norwegian wages may be a less pleasant result of this recent immigration wave coming from Poland.

These recent development have contributed to modifying the Norwegian stereotypes about Poles. These stereotypes are based in part on past experience and partly on prejudice. Of the previous experiences, it was first and foremost an image of reliable, hardworking and somewhat pitiful Polish strawberry pickers that have stuck with many Norwegians. In addition, there is the image of Polish hoodlums who come to Norway to commit some more and less serious crimes and are put behind bars; and finally the pictures of Polish workers who are in search of more or less attractive jobs in Norway, as those depicted recently in the Norwegian TV series *Kampen for tilværelsen* (*Struggle for existence*).

The opening of Europe had also some other effects on human dimension of Polish-Norwegian relationship with many Norwegian students, not just those with Polish roots, discovered Poland as an attractive place to study. In 2005 there were nearly 600 Norwegian students in Poland, and the number has grown rapidly after Poland became an EU member in 2004 to reach 1521 in 2014.

One should not forget about a small group of people who have contributed greatly to making the Polish-Norwegian relations what they are today – namely relations between two friendly nations sharing interests and values and working together for a better future for a common Europe. The table below gives an overview over Pol-

ish Ambassadors to Norway and Norwegian Ambassadors to Poland who have over the last 25 years contributed to strengthening the Polish-Norwegian connection.

**Table 2. Polish Ambassadors to Norway and Norwegian Ambassadors to Poland.**

Polish Ambassadors to Norway 1989–2014	Norwegian Ambassadors to Poland 1989–2014
Karol Nowakowski 1988–1991	Tormod Petter Svennevig 1986–91
Lech Sokół 1991–1996	Arnt Magne Rindal 1991–1996
Stanisław Czartoryski 1996–2001	Jan Østern 1996–2000
Andrzej Jaroszyński 2001–2005	Sten Fredrik Lundbo 2000–2005
Ryszard Czarny 2005–2007	Knut Hauge 2005–2008
Wojciech Kolańczyk 2007–2012	Enok Nygaard 2008–2013
Stefan Czmur 2012–	Karsten Klepsvik 2013–





# 3. CULTURAL ASPECTS OF THE POLISH-NORWEGIAN RELATIONS

## 3.1. Polish Community in Norway:

### From a new “Protestant Work Ethics” to a “Self-fulfilling Pole” Syndrome. Conversation with Professor Nina Witoszek

By Aureliusz Wlaż (Embassy of the Republic of Poland in Oslo)

*Professor Nina Witoszek is a Research Director at the Centre for Development and the Environment at the University of Oslo. Since she came to Norway in 1983, she has been an active and respected participant in the Norwegian public debate. Apart from Poland and Norway, Professor Witoszek has studied and researched in a number of countries including UK, USA, Sweden and Ireland. While living abroad, she has always extensively referred to Polish history and culture in her thought-provoking books and articles. The eminent Norwegian journalist Per Egil Hegge wrote in the introduction to the recently published collection of her essays that “if there is one thing that has not changed in Nina Witoszek during her years in Norway, Sweden, Italy, USA and Ireland, it is that she has not become less Polish”<sup>45</sup>*

*Professor Witoszek’s publications – on an impressively wide array of topics – have earned her great esteem and recognition. In 2005 she received the prestigious Fritt Ord Award for – as it was put by the Fritt Ord Foundation – “conveying, in a sharp and well-formulated way, Eastern European experiences in the Norwegian debate and challenging standard Norwegian perceptions”. The same year, she was proclaimed by the Norwegian*

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<sup>45</sup> P. E. Hegge, *Innledning* [In] P. E. Hegge (ed.), *Nina Witoszek. Utvalgte artikler om Norge og verden*, Cappelen Damm, Oslo 2014, p. 13.

*daily “Dagbladet” one of the ten most outstanding intellectuals in Norway. Her contribution to the Norwegian public debate has also been appreciated by the Polish community in Norway. In 2011 she was awarded the “Outstanding Pole in Norway” title.*

*In the present interview, Professor Nina Witoszek shares her perspective on the nature and different perceptions of Polish immigration to Norway. The conversation was held in Oslo, on 24 September 2014, originally in Polish.*

**Aureliusz Właź (AW):** *Let us start with this obvious fact: citizens of Poland are the largest foreign nationals group living in Norway. Why has that become so?*

**Prof. Nina Witoszek (NW):** There are many reasons for this situation. Firstly, purely economic ones: Norway offers a possibility of getting a well-paid job. There is something like a “Norwegian dream”, which is in fact the only dream that “has come true” in Europe. In Norway one can earn good money for decent work and under good social conditions. And Norway needs qualified workers. Polish craftsmen easily gain new qualifications and work as artisans (some even pretend to be artisans) and they are competitive and very creative. Norwegians greatly value just that. The second reason is geographic proximity and the cheap flights from Poland to Norway. The relatively short distance makes it possible for Polish workers to remain in touch with their families (men often come to Norway without families). And finally, Norway embodies a model of partnership between nature and culture, a model that has been neglected in Europe. There is a group of Polish people for whom Norway offers a possibility of living *al fresco*, which is very liberating. Some Poles who come to Norway associate this country with freedom in the sense of freedom *in space*.

**AW:** *How does it all look like from the Norwegian perspective? In other words, what is the perception of Poles in Norway?*

**NW:** There have been several stages of the image of Poles in Norway. It started with the fear of a mythical Polish plumber and protests from the labour unions and socialists, who were afraid of social dumping. There was much debate about these questions after Poland’s EU accession. Both the Right and the Left had their fears. The Right was afraid of the Poles stealing jobs from the Norwegians, and the Left was anxious about the Poles becoming a sort of second-class, underpaid citizens.

These fears have soon proved to be exaggerated. Most Norwegians today have stopped demonizing Poles. It became clear that Polish people do not necessarily want to stay in Norway, being simply concerned about earning money in the first place. It is also a fact that Poles who compete with the Norwegian workers are often simply better in terms of quality of the services they provide and, not least, creativity. For many Norwegians, these Poles are a blessing because they offer good quali-

ty for less money. But there are still Norwegians who perceive Poles as inferior and their mistrust is often coupled with curiosity. On the whole I would say that the status of Poles in Norway has risen markedly in the course of the last decade that is since 2004. During this period, immigrants from Poland have been elevated from being an underclass of menial workers to being builders of the Norwegian welfare state. We should also bear in mind that there are more and more educated Poles that come to Norway and little attention is being paid to them. They have good jobs, speak Norwegian, and they have assimilated so well that they are practically treated as Norwegians. The paradox is that this successful group has little visibility.

I have observed this process of evolution in the perception of Poles on the example of my own Norwegian husband. Initially, he was quite sceptical; now he loves visiting Poland, in particular his favourite city – Krakow. He has discovered Polish history and culture. He is delighted by the renaissance beauty of Krakow – and by the decent standard of services, hotels, shops and cultural institutions. Norwegians are very impressed by human creativity, the ability to look for solutions and find them. And Poland offers these qualities.

**AW:** *Yes, that's a very positive development indeed but don't many Norwegians still look at Poland and the Poles through the prism of outdated stereotypes?*

**NW:** Yes, but it is partly our fault. Whereas Norwegians have a kind of romance with their own country, Poles have a very complicated relationship with Poland – and with themselves. We have an extensive tradition of self-depreciation. Even our perception of Poland's contribution to the European culture is often twisted and lacks solid foundations. We complain about everything and by doing so we lose the ability to appreciate incredible progress since 1989. Nobody seems to remember how humiliating life in the communist Poland was. It is a peculiar kind of a blend of myopia and amnesia, I would say. Historically, we have gotten used to the experience of defeat so much that we are not even able to interpret our successes as anything else than defeat. In Norway, much of the responsibility for the persisting stereotypes is borne by those Poles who are successful. They are largely passive and – having full freedom to correct their misconceptions – they do not participate in the public debate *as Poles*. Instead, they focus on their careers and aspirations. They pursue their dreams and hobbies. For them, Norway is an achieved utopia. They represent what I would call the “self-realized Pole syndrome”. In my case, there has been a different motivation at work. In my student days, I collaborated with the opposition and I learned from them that being a citizen is coterminous with participation in the public debate. That's why after coming to Norway – when I finally was free to say what I wanted – I took part in the public debate as often as I could. And the ongoing public response to whatever I write – and this refers both to those who agree and disagree with my standpoints – is the evidence for the Norwegian hunger for a different perspective.

**AW:** *What should this group of successful (and “self-fulfilled”) Poles exactly do?*

**NW:** I am in no position to advise anybody what he or she should do. But they could cultivate a greater curiosity about Norway. Witold Gombrowicz said that the only way to overcome our complex of inferiority is to challenge one’s Polishness. This may sound paradoxical – and Gombrowicz has not quite succeeded in this task – but I’ve always thought that he had a point. Transcending Polishness and getting immersed in a different culture has become my obsession. Therefore, when I lived in Ireland, I tried to write and become known *as an Irish writer*, in Norway – as a Norwegian essayist. My identity is double and triple, I am Polish, but also a bit Irish and Norwegian. My Polish and Norwegian identities have merged into one. This double identity forces me constantly to perform a *salto mortale*: to look critically both at Norway and Poland. But maybe I’m a clinical case?

To return to the Polish perspective on Norway, it is valuable because today, the Polish community in Norway embodies what used to be called by Weber a “protestant work ethics”: rolling up your sleeves and working hard to make it not just for yourself, but for God, motherland and for future generations. Your wealth reflects how hard you work and your personal integrity. In the opulent Norway this tradition has undergone an atrophy. For the Norwegians, people from Poland have therefore filled a vacuum. To more senior Norwegians, Poles resemble their parents who were building up Norway in the 1950s and who exhibited the ethics of sacrifice and romantic labour for future generations.

**AW:** *Why Poles?*

**NW:** In 1989 I talked to the Czech dissident Radek Doupovec on what would happen in the post-communist Europe. I insisted that it would be the Czechs or the Hungarians who would take the lead in the former communist Europe. They were much better off than the Poles, had a better infrastructure and so on. Radek disagreed. He said that it would be Poles who would take the lead, because of our legacy of romanticism. “What will you do with all this romanticism, this sacrifice and mission? You’ll invest it in work!” he laughed. “You’ll be building the new Poland faster than the others. The Czechs and the Hungarians have been too spoiled and too passive, too much used to having things given on a tray.” Today I see that Radek was right. It is the romantic tradition of absolute sacrifice for a higher cause (whether it is family, personal future or some other “absolute”), which lives on in the Poles living and working abroad. Their aim is to “make it” as soon as possible. This ‘ethics of sacrifice’ also expresses itself in the fact that people from Poland devote much time to making other people happy (also the people they work for) and seek creative, individual solutions. This stands in contrast to the Norwegian workers who simply come and do what is expected, nothing more. To give a very concrete example, I hated the brutal architecture which looms behind the win-

dow as soon as one crosses the threshold of my new flat. The Polish carpenter that I employed advised me to put a big, green plant in front of the window and have a stained glass in the remaining part. This is what I did: and one gets a totally different impression when one crosses the threshold now. And this is an illustration of what the Polish workers embody in general: thinking not only in practical terms, but also being original, finding unconventional solutions. And this impresses Norwegians a lot, because it reflects both solid education and culture.

**AW:** *You've just told me that we should be both Polish and Norwegian, challenge one's Polishness when we live in Norway and become Norwegian. Is it possible to integrate these two identities into one, and – if so – how should we do it?*

**NW:** What I greatly value in the Polish culture is the critical approach to one's own tradition (though this criticism can get overboard) and deep humanism which permeates the best Polish literature and thought. To give some random examples, Jan Kochanowski, Andrzej Frycz Modrzewski, Joachim Lelewel, Czesław Miłosz, Wisława Szymborska, Zbigniew Herbert, Witold Gombrowicz and Leszek Kołakowski display a kind of intellectual audacity that is impossible to find in Norway. The other original aspect of the Polish tradition is the intimate knowledge of evil and a rich tradition of studies of totalitarian threats, which is missing in Norway. Norwegian humanism is superficial and lacks solid foundations in the form of thorough studies of what it is to be a human.

What is striking about Polish humanism is that even in its agnostic or atheist version it has not neglected the role of religion in human affairs. Let me explain it briefly. There is evidence to the effect that the collapse of communism in Poland, the peaceful, evolutionary change of political system was not only a political (or economic) phenomenon. It had deep philosophic and humanistic roots. What "Solidarity" embodied was not just about free trade unions; it was a humanist revolution that rediscovered human dignity. Intellectually, what was happening in Poland in the 1980s was a result of ideas which emphasized dialogue with the ancient tradition, return to the pre-modern ideals of dignity, honour, transcendence, esthetics, reflection on the essence of good and evil and a protest against monistic explanations of the world. This "oppositional humanism" or the "New Renaissance", as I often call it, was obviously a response to brutality of the totalitarian regime, but its driving force was a longstanding intellectual tradition.

The experience of two totalitarianisms yielded an obsessive return to the question of what it means to be human in the inhuman world governed by the tyranny of Reason and History. This is what we find in the writings of Leszek Kołakowski, Adam Michnik and the poetry of Czesław Miłosz and Zbigniew Herbert. Unlike the Western postmodernism, whose greatest stars (Baudrillard, Althusser, Foucault, Derrida, De Man) called for the anti-humanistic and anti-European crusade, East-

ern- and Central European thinkers (like Havel and Kołakowski) referred to the values of the European humanism and wrote on the role of *sacrum*. It is precisely this tradition that formed the foundation of their resistance against the totalitarian authority. Whereas the fashionable Western theoreticians deconstructed the fundamental distinctions between good and evil, sovereignty and subjugation, truth and lie, Eastern European thinkers argued that these distinctions constitute the ultimate foundation of culture and that their removal brings about the threat of totalitarianism. When the postmodernists censured the notion of truth and employed it only in quotation marks, Eastern European dissidents saw the truth as the primary tool to fight the Soviet propaganda. This tradition is being rediscovered today and it is worth keeping – even if we live abroad.

**AW:** *What about those Poles for whom this humanism does not mean very much?*

**NW:** There is a group of Poles who came to Norway in the 1970s, and some of them were even ashamed of being Polish. They did not protest when their children spoke only Norwegian; they were convinced that this would save their children from being stigmatized. They brought up their children in the Norwegian spirit and in accordance with Norwegian traditions alone. This was the case with the daughter of a friend of mine who was raised according to that model. Years after, when she began to study theatre she discovered the great Polish masters like Tadeusz Kantor, Jerzy Grotowski, Andrzej Wajda, and Kazimierz Dejmek. She was in shock that, in spite of having a Polish mother, she had no access to the language and culture of these people! It is a general problem of many Poles: we do not fully appreciate the value of our culture. Stanisław Przybyszewski, Dagny Juel's husband, argued that Polish and Norwegian cultures were so different from each other that they were irreconcilable. I disagree with him. Intercultural communication requires interest and effort on both sides. People who take no such effort escape into stereotypes because they present a simplified but easy to understand picture of both countries. And there is even more to that, people who think in terms of stereotypes experience a kind of self-fulfilling prophecy: they in fact meet people, be it Polish or Norwegian, who conform to these clichés. Despite the fact that there is always a grain of truth in every stereotype, we need to think beyond these simplified schemes. I would therefore contrast Przybyszewski with the Polish composer Witold Lutosławski, who spent a significant part of his life in Norway and was open for inspiration from this country. Similarly, Alina and Czesław Centkiewicz wrote bestselling books on Norway.

**AW:** *What are the differences between the Poles who came to Norway in the course of the recent years and the politically motivated immigration of the 1980s which you belonged to?*

**NW:** These are two very different types of immigration. Most recent Polish arrivals represent an economic immigration that is nearly exclusively focused on earning

money via hard work. They have no time (and energy) for anything else. The political immigration has been more open for Norway, more inclined to learn Norwegian and establish their full existence abroad. It was also a more intellectual and dialogue-oriented group of people, focused perhaps less on material things than becoming a part of Norway. They thought communism in Poland would last forever and hence full integration in Norway was an obvious life project. An important feature characterizing this immigration was that they largely escaped from prosecution in the communist Poland and had no alternative but to assimilate into Norwegian society. Today, the immigrants from Poland have different priorities. Staying in Norway for the rest of their lives is not what they generally aspire to.

***AW: How – in your view – will that all develop in the years to come? Will the Polish immigrants find their place in Norway or will they be coming back to Poland?***

**NW:** I think they will be going back, and Poland shall move forward. I don't believe in unhindered progress, but in my view the romanticism of work will constitute the driving force in Poland's future. I also believe in the strength of the Polish economic thought: there are many heirs of Oskar Lange or Leszek Balcerowicz today, and hopefully they will continue a tradition that has been appreciated worldwide. There is also the younger generation of Poles who are not burdened with the legacy of communism. They are future-oriented, well-educated, speak foreign languages and they have all the chances to inspire Poland – and perhaps even Europe – to do something great.

### 3.2. The presence of Poles in the Norwegian culture.

(by Aleksandra Janaczyk, Moja Norwegia)

#### Introduction

It is estimated that Poles are the biggest minority group in Norway. According to statistics there are over 85 000 immigrants with Polish background in the country<sup>46</sup>, however it is worth mentioning that this number only includes those that are officially registered. Even though there are constantly more Poles migrating to Norway, the level of their integration into Norwegian society seems to be somewhat unclear. The common opinion among people conveys the impression that many of them speak Norwegian poorly, or not at all. According to the report prepared by Fafo Institute in 2007, 80% of Polish men and 65% of Polish women living in Norway were active participants in the Norwegian labour market. Most of them were working in fields of so called lower status and prestige – gastronomy, building industry, etc. – fields that have begun to be established as designated for foreigners. It is also said that Poles are not well integrated into the Norwegian society outside of the labour market, which means that e.g. they do not have many Norwegian friends and prefer to spend time with other Polish immigrants.

There is a lot of research and many reports that explore and deliberate the subject of immigrants and their integration into the Norwegian labour market. But one might get the impression that other aspects of the integration are slightly neglected and even omitted. It is undeniable that integration in relation to the work life is most significant, since it would seem that most of the immigrants come to Norway primarily for economic reasons. But it is also necessary to be aware of the fact that other aspects of integration are important as well.

One of the areas that I find neglected is culture and social life. Integration connected to the work life, i.e. understood as being a part of the labour market is sort of necessary if immigrants want to be able to live and survive in Norway. But participation in culture is that kind of activity that is not forced nor even considered as a necessity. People do not go to the cinema or a gallery if they do not want to and what is more they do not need that sort of experience in order to cater to their basic needs. And that is the reason why I consider the culture participation as a good expression for and indicator of the fact that people become settled and gradually more integrated into the major society if they take part in these activities. However, even though it is possible to live and survive quite comfortably without partic-

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<sup>46</sup> As of 1st. of January 2014; Source: <http://ssb.no/folkemengde>.



icipating in culture related activities or having a rich social life<sup>47</sup>, we might wonder what kind of quality does a life have, if it is limited to the pattern: 'home – work – grocery store – home'.

Based on the observations above I found that it is undoubtedly worth researching if Polish people do participate in Norwegian culture or not. It would also be worthwhile to examine their habits in relation to culture if they do participate in it, as well as trying to identify the reasons that stop them from doing so, if they don't. Common sense suggests that one of the possible causes of an eventual lack of participation in cultural life is the lack of language skills. And language is also a part of the culture after all – perhaps even the most important one. All that leads to the main questions – how does the Polish cultural participation look like and can it in any way influence the life of Poles and their position in Norway?

Presence of cultural participation is understood in three different ways here.

- 1) Presence as passive participation – the most common way of understanding the participation in culture – like going to the museum, to the theatre, etc.;
- 2) Presence as active participation – being part of the culture, understood as making and creating it, contributing to it;
- 3) Presence as an appearance of certain themes in certain cultures, here – Poles as a theme or subject in Norwegian culture.

This particular work will deliberate mainly the first type of the presence. It is based on the results of a survey conducted in 2013 on a group of Polish immigrants residing in Norway, exploring their profile, level of integration, language skills, cultural participation and more. The following report will focus on the culture related section of the research and its relationship to other aspects of life for Polish immigrants, including their language skills.

## The research

Between 8 and 21 of April 2013 a social survey was conducted on a group of Poles living in Norway. Due to the nature of the research group I used the tool that provides access to the largest possible number of people – an online survey. Use of the aforementioned tool seemed advisable taking into account that its 'nature' means high dispersion and lack of one, clear centre. The website [MojaNorwegia.pl](http://MojaNorwegia.pl) ([MyNorway.pl](http://MyNorway.pl)) is probably one of the places that most closely resembles this specific forum, it's a meeting place (though mainly virtual) and a source of informa-

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<sup>47</sup> This approach is obviously very simplified, however considering the nature of this work we have to put aside the psychological aspects of lacking a social life.

tion for Polish people currently living in Norway, which was another argument for the use of an online survey – especially due to the type of medium and its ‘access’ to a high percentage of Polish immigrants.

When reading this document it is highly recommended to keep in mind the shortcomings of the tool being used. The only features that were required by the respondents were that they were Polish people currently residing in Norway. Due to the nature of MojaNorwegia.pl most likely all of the subjects met the minimum requirement. However, because of the random character of the used method – so-called snowball sampling – it does not mean that this particular sample of respondents can be considered as a group representative for the whole Polish community.

The study involved 1021 respondents (a further 1000 begun to fill out the questionnaire, but did not finish the task). Results for the question about the respondents’ sex differ from data collected in other studies, namely that the representation of women in this survey is probably higher than the actual distribution of this feature among Poles in Norway. This is an example that the data obtained should not be considered as a reflection of the situation of the Polish community. At the same time however, the number of respondents is appreciable due to the total number of Polish immigrants (around 200 000) that gives some, albeit limited right to conclude about ‘general’ attitudes, habits and characteristic for an average Pole in Norway. For the convenience sake, further in the report certain concepts are being used which can carry signs of too far-reaching generalization, however, as it has been said before, we should not overestimate the representativeness of the data collected.

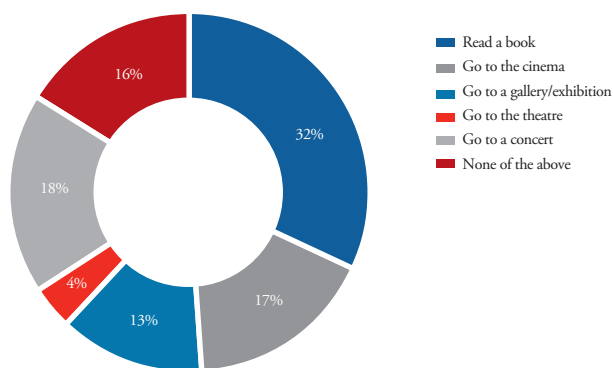
### The image of cultural participation of Poles in Norway

The chart below shows the preliminary and rather general picture of Poles’ participation in the cultural life of Norway. The most popular activity associated with culture done in the last 12 months was reading a book, marked by 32% of respondents. The next most common activity was to participate in a concert (18%) and to visit the cinema (17%). The least popular was a visit to the theatre (4%), while 16% of respondents did not perform any of these activities.

The next graph presents the image of habits associated with both participating in so-called high culture and activities of a more everyday character. Both the first and second group includes actions where knowledge of the Norwegian language is required as well as actions where participation is not dependent on this knowledge. This image tells us about the frequency with which respondents undertake these activities. The highest percentage of the response ‘*very often*’ came with questions about watching Norwegian television and listening to Norwegian music. Most of the ‘*never*’ responses occurred when respondents were asked about a visit to the

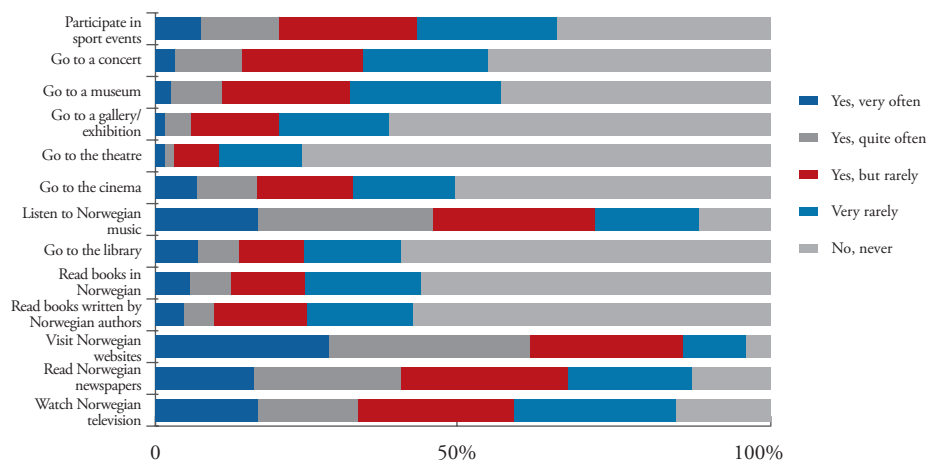
theatre. Also visiting galleries or exhibitions, use of the library and reading Norwegian books (both written in Norwegian and by Norwegian authors) are at the forefront of activities which, according to a large part of the respondents, *'never'* take place. Therefore it means that despite the fact that reading seems to be the most practiced 'cultural' activity, this concerns mainly books written in Polish, or at least not written in Norwegian.

During the last 12 months of your stay in Norway, did you:



Source of all the data in the document: 'Polish immigrants in Norway: Cultural participation and integration' by Aleksandra Janaczyk for MojaNorwegia.pl, 2013.

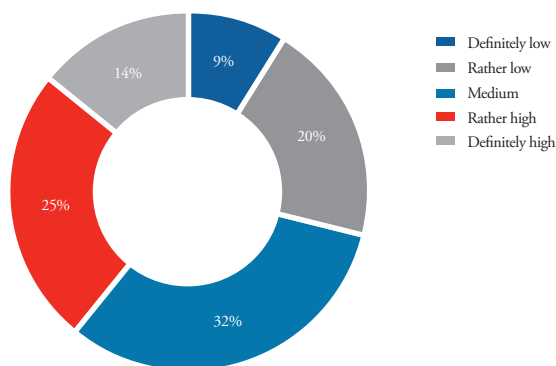
Do you:



Source: 'Polish immigrants in Norway: Cultural participation and integration' by Aleksandra Janaczyk for MojaNorwegia.pl, 2013.

As shown in the chart below, the problem on the way to integration in the cultural field may be the lack of an explicit desire to participate in the culture of Norway among Poles. Slightly less than a third of respondents specify their level of such desire as ‘*definitely*’ (9%) or ‘*quite high*’ (20%), 32% of them is motivated to such participation on an ‘average’ level, one fourth is ‘*rather*’ reluctant, while 14% is ‘*definitely not*’ interested in participating in the culture in Norway. Differentiation by gender shows slightly more ‘positive’ responses among women than among men. Common sense suggests that such a desire would increase with the length of the stay in Norway, however, the results show that people staying here for more than five years are more decided in their ‘low’ motivation than those living here less than five years. Interestingly, the lowest rate of the response ‘*definitely not*’ occurred in the group of respondents living in Norway for only a few months, and even though we cannot speak of a strong reduction of the urge to participate in culture over time, the results seem to indicate that this motivation is not increased.

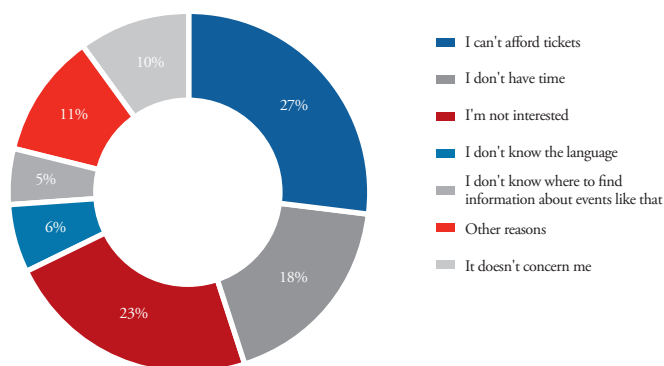
#### How would you describe your willingness to participate in Norwegian culture?



Source: ‘Polish immigrants in Norway: Cultural participation and integration’ by Aleksandra Janaczyk for MojaNorwegia.pl, 2013.

The following chart shows the distribution of responses concerning reasons for not practicing activities mentioned above. This question was meant for respondents who answered the question about their cultural habits with mostly ‘*very rarely*’ and ‘*never*’, which, according to the graph below, concerned 90% of all the respondents. Main reasons for not participating in cultural events are lack of time (24%), lack of knowledge of the language (20%) and lack of interest in this area of life (16%). Only 5% of respondents pointed at lack of knowledge about a decent source of information for those kinds of events as the main problem, every tenth respondent cannot afford buying tickets, and 12% do not have friends or acquaintances who could accompany them to participate in e.g. a concert or other cultural event.

### Reasons of not participating



Source: 'Polish immigrants in Norway: Cultural participation and integration' by Aleksandra Janaczyk for MojaNorwegia.pl, 2013.

### The relationship between cultural participation and other variables

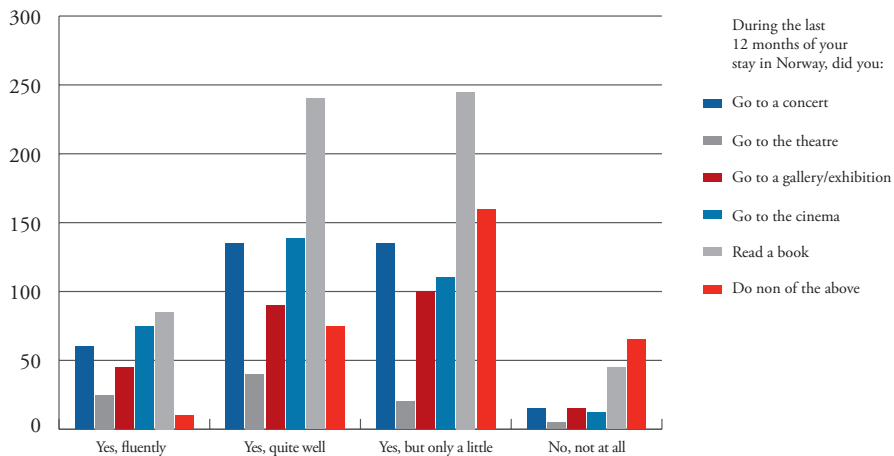
Below we can find graphs allowing us to see the relationship between different variables, such as the relationship between the level of knowledge of the Norwegian language and participation in culture, etc. Since the language is a significant value here, it is worth describing shortly what is the declared level of knowledge of Norwegian among the respondents. According to the results 90% of interviewees can at least 'some' Norwegian. It is important to mark, that the most popular answer was *'I can speak Norwegian, but only a little'* which was chosen by 44% of respondents, but at the same time only 10% less declare speaking Norwegian *'quite well'* and 11% claim to speak Norwegian fluently. 11% is not much, but nevertheless it is more than the amount of Poles who cannot speak the Norwegian language at all.

The first of graphs shows the aforementioned relationship between language skills and activities related to culture performed by respondents in the past 12 months of their stay in Norway. Although the question did not specify whether the book was written in Norwegian or not, this response was most popular among respondents who can use Norwegian to at least a small degree. Among the group of respondents declaring an absolute lack of knowledge of the language, the answer *'none of these options'* was marked most often, although it should be noted that only 10% of all respondents was in this group.

The next most frequent responses involved activities such as going to the cinema and going to a concert, with the exception of the group of respondents declaring their poor knowledge of Norwegian where the answer *'none of these options'* was in second place. Definitely the lowest percentage of responses that might indicate

not very high participation in culture occurred among those declaring a thorough knowledge of the Norwegian language. It is a quite obvious correlation, confirming the importance of knowledge of the language in participating in culture and pointing to the need for taking actions that may lead to a reduction of the problem of the language barrier.

**Can you communicate in Norwegian?**



Source: ‘Polish immigrants in Norway: Cultural participation and integration’ by Aleksandra Janaczyk for MojaNorwegia.pl, 2013.

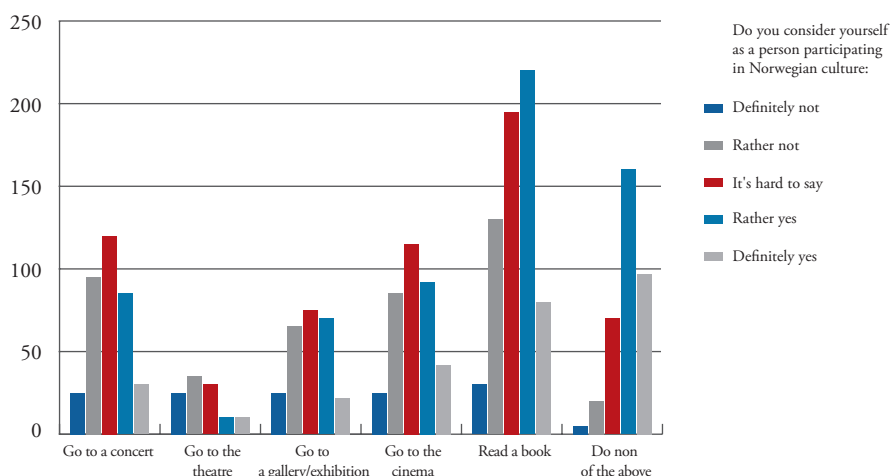
The significance of the level of language skills in relation to cultural participation can also be observed in a question about the source of knowledge of cultural events. Among those respondents who do not speak Norwegian at all internet (28%) and friends (24%) are the most common sources, while TV is the least popular answer (4%). Among those who speak Norwegian fluently it is press (21%) and internet (22%) that are marked most often. TV and radio require at least some knowledge of Norwegian and are therefore less popular the lower the level of language acquisition, while the importance of friends and internet increases. Even though most of the news on the internet is also available in printed form, it is far easier to translate them on the web than in the case of TV and radio. Results obtained in this question show that all the factors are linked to each other in an interesting way – language skills and/or having friends and a social life in general with participation in culture, etc.

When it comes to the relationship between the length of their stay in Norway and the estimation of their own level of participation in cultural life it can be noted that the distribution of responses for each of the groups is more or less similar, only proportions differ in some cases. For example, the answer ‘probably not’ (which means that the respondent do not think of him/herself as a participant in cultur-

al life) was the most common response in all groups except for the group of respondents living in Norway for more than 10 years, where the most popular option was *'definitely not'*, slightly ahead of the answer *'it is hard to say'* and *'rather yes'*. Both positive responses (*'definitely yes'* and *'rather yes'*) are the least popular in all the groups except the aforementioned group of respondents residing in Norway for more than 10 years. In all the groups the *'rather yes'* answers were marked almost as often as *'definitely not'*.

As for the relationship between the assessment of respondents' participation in culture and activities associated with that participation it is as follows:

#### During the last 12 months of your stay in Norway, did you:



Source: 'Polish immigrants in Norway: Cultural participation and integration' by Aleksandra Janaczyk for MojaNorwegia.pl, 2013.

As the graph shows, people considering themselves definitely or rather not participating in culture are the two largest groups of those who have not done any activities related to culture. Interestingly, however, almost as high a percentage of people *'definitely not'* participating in culture answered that they have read at least one book in the past 12 months. Among those who in the past 12 months have read a book the largest group of respondents doesn't consider themselves as engaged in cultural life, which may mean that the respondents do not identify reading as a cultural activity. Another interesting observation is that the respondents who chose options *'rather yes'* or *'rather not'* when answering the question about participation constitute a comparatively high percentage of all of those who went to a concert, art gallery or a movie (in the case of the latter two *'rather not'* was even slightly more common). This may mean that the respondents do not consider the situation in which they are spectators or 'passive' consumers of culture as participa-

tion in culture, or consider the frequency with which they perform certain actions as insufficient. The problem with defining the respondents' place in the culture in Norway may also be indicated by the high response rate of *'it's hard to say'* answers, when asked to evaluate their own participation.

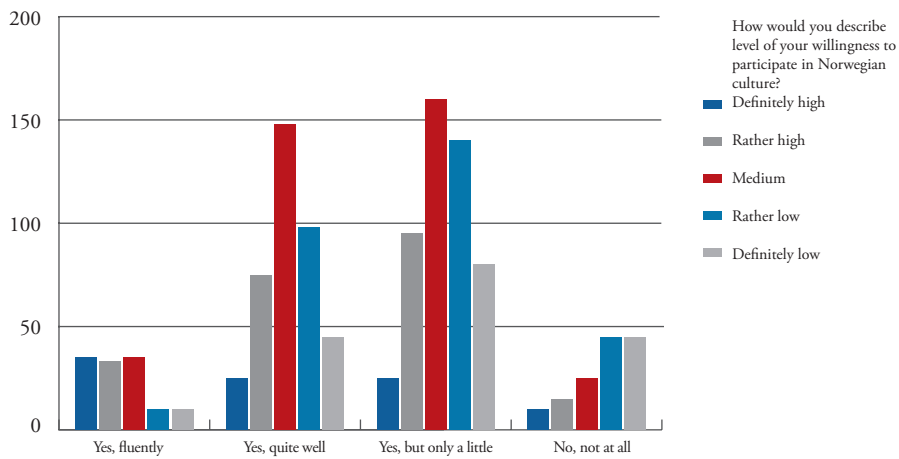
It can also be observed that there is a clear link between education and the respondents' taking part in cultural activities. Among respondents with higher education only going to the theatre received fewer votes than the answer *'none of the above activities'*, which means that most of the respondents perform certain activities related to culture. The situation looks similar among respondents with higher vocational education. Lack of participation in activities or cultural events is the most common response among respondents with vocational education and the second most common response among respondents with secondary education.

It turns out that the relationship between language and the level of motivation to participate in the culture of Norway is more significant only in groups of people who either speak Norwegian fluently or not at all. In the first group the most popular response was *'definitely'* and *'rather high'*, as well as *'medium'* when describing the level of desire to participate in culture. The least popular answer was *'definitely low'*, which was the most commonly chosen option among respondents who do not speak the Norwegian language at all. In this particular group, the lower the level of motivation is, the more people chose this answer. The distribution of 'popularity' in the two middle groups (people using Norwegian fairly well, or only a little) was more or less similar, i.e. most people identified their level of desire to participate in culture as *'medium'*, the next *'rather low'*, and the answer that was marked least – *'definitely high'*. This may mean that to participate fully in the cultural life of Norway better than basic language skills are needed, or it may simply indicate that the longer a person stays here, the better their language skills get, integration increases and thus does the motivation to participate in the socio-cultural life (though as the results already submitted show, only part of this thesis can be considered to be 'confirmed' by the research). One of the questions coming up after analysing the chart below is how a reluctance to participate in the culture of people who do not know the language stems from the fact that they feel they do not have the appropriate 'competence' and how much is actual lack of interest in this issue.

The planned length of the stay also seems to be important when it comes to the issue of motivation to participate in culture, namely those who declared a desire to remain permanently in Norway were choosing the answer *'definitely yes'* more often than any other group and they were the only group in which the answer *'definitely not'* was the least popular. It may also be observed that the shorter the intended stay is the higher the rate of the responses *'rather not'* and *'definitely not'* gets.



### Can you communicate in Norwegian?



Source: 'Polish immigrants in Norway: Cultural participation and integration' by Aleksandra Janaczyk for MojaNorwegia.pl, 2013.

## Conclusions

The general conclusion that emerges after a preliminary analysis of the results is first and foremost that Polish immigrants do not seem very interested in participating in the cultural life of Norway. More people consider themselves to be integrated with the Norwegian society than to be a participant in the culture of the country. The motivation for participation is higher among people with a good knowledge of the Norwegian language, while lacks of this knowledge as well as the lack of time are the greatest obstacles on the road to higher participation.

The question which may be worthy of deeper exploration is to what extent the lack of strong motivation to participate in culture is a result of the lack of an adequate offer which could be interesting for Polish people, both due to the language barrier and subject matter. One group of respondents pointed at the lack of a cultural offer addressed to the Polish people, where the smallest percentage of people *'definitely'* willing to participate in culture occurred. It is also worth to take a look at respondents' habits, namely, that participation in the so-called high culture is visibly less popular than for example reading books, listening to music (even Norwegian), and going to concerts.

## Summary

Many Polish immigrants speak Norwegian to some extent, but those who know it well are much more 'culturally' active and demonstrate more willingness to participate in social and cultural life of Norway. Most of the Polish community, however,

does not seem to be particularly interested in that kind of activity, although there is a chance that an increase in language skills could foster this interest. Language correlates with most forms of integration and participation in culture more than for example the respondents' length of stay in Norway. It seems important to work on deepening the knowledge of the Norwegian language among those who already have some basis. It is also necessary to note that the absence of interest in cultural life may also be a result of the lack of previous cultural habits.

# APPENDIXES



Ministry  
of Foreign Affairs  
Republic of Poland



**POLISH COMMUNITY in NORWAY**  
**Opportunities and Challenges**  
**(Oslo, 20 November 2014)**

**Oslo Science Park (Forskningsparken)**  
Gaustadalleen 21, N-0349 Oslo

**PROGRAMME**

- 09:00-09:10 Welcome by **H. E. Mr. Stefan Czumur, Ambassador of the Republic of Poland to Norway**
- 09:10-09:20 **Mr. Anders Erdal**, Director of the Europe and Trade Department, Royal Norwegian Ministry of Foreign Affairs
- 09:20-09:30 **Mr. Artur Orzechowski**, Director of the European Policy Department, Ministry of Foreign Affairs of the Republic of Poland
- 09:30-11:00 **FIRST PANEL *The Poles in Norway – social challenges***  
Moderator: **Jakub Godzimirski**, Research Professor, Norwegian Institute of International Affairs (NUPI)
- 09.30-09.40 Introduction, **Jakub Godzimirski**
- 09:40-10:00 ***The Poles in Norway – the Polish perspective***, **Prof. Krystyna Iglicka-Okólska**, Rector of the Łazarski University in Warsaw
- 10:00-10:20 ***Polish migrants in the Norwegian labour market – opportunities and challenges***, **Line Eldring**, Fafo Institute for Labour and Social Research
- 10:20-10:40 ***The Polish migrants' integration into Norwegian health care system***, **Elżbieta Czapka**, PhD, Norwegian Centre for Minority Health Research (NAKMI)

- 10:40-11:00 *Q&A*
- 11:00-11.30 *Coffee break*
- 11:30-13:20 ***SECOND PANEL The Poles in Norway – opportunities for the Polish-Norwegian economic cooperation***  
Moderator: **Lars-Kåre Legernes**, Managing Director, Oslo Chamber of Commerce
- 11:30-11:40 Introduction, **Lars-Kåre Legernes**
- 11:40-12:00 ***Polish construction company in Norway. Challenges and opportunities as a general contractor,***  
**Marcin Krupa**, Director General, TORPOL NORGE
- 12:00-12:20 ***Polish Companies – Legal challenges when entering the Norwegian market,*** **Lars Berntsen**, Partner, BERNGAARD /SANDBEK AS
- 12:20-12:40 ***PGNiG in Norway – investing in the Norwegian oil and gas industry,*** **Sławomir Hinc, PhD**, Director General, PGNiG Upstream International AS
- 12:40-13:00 ***Practical overview on daily Polish entrepreneur business operation in Norway,*** **Krystyna Helińska**, Vice President, Managing Director, Polish Connection
- 13.00-13.20 *Q&A session*
- 13:20-14.00 *LUNCH*
- 14:00-15:50 ***THIRD PANEL The Poles in Norway – cultural aspects of the Polish-Norwegian relations***  
Moderator – **Marcin Fronia**, Norden Centrum
- 14:00-14:10 Introduction, **Marcin Fronia**, Norden Centrum
- 14:10-14:30 ***The presence of Poles in the Norwegian culture,***  
**Aleksandra Janaczyk**, „Moja Norwegia” website
- 14:30-14:50 ***‘Norway would not have been the same without you.’ How Norwegians recognize the significance of Polish culture and the value of a cultural interrelationship,*** **Prof. Knut Andreas Grimstad**, University of Oslo

- 14:50-15:10 *Polish – Norwegian cultural cooperation in the EEA Grants cultural exchange programme*, Håkon Halgrimsen, Arts Council Norway
- 15.10-15.30 *Proximity and distance to Norwegian society: Some observations on the integration processes of Polish post-2004 migrants in Norway*, Marta Bivand Erdal, Peace Research Institute Oslo (PRIO)
- 15:30-15:50 *Q&A*
- 15:50-16:10** *Perspectives on Poland*, Concluding remarks by **Ingrid Brekke**, Aftenposten
- 16:10-16.40 *Informal discussion, coffee*

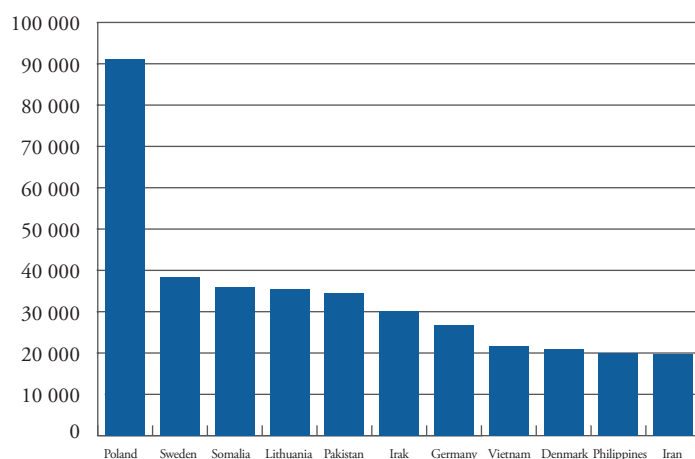
## 4.2. The statistics on the Polish community in Norway

(Collected by Daniel Ślupek, Political and Economic Section,  
Embassy of the Republic of Poland in Oslo)

According to Statistics Norway (SSB – Statistisk sentralbyrå), Polish citizens are the biggest group of immigrants in Norway. The number of registered immigrants from Poland reached 85,591 at the end of 2<sup>nd</sup> quarter 2014. Together with children born in Norway to both Polish parents, this number was 91,180 which means 12% of all immigrants and Norwegian-born to immigrant parents, and almost 30% of residents from the EU member states (see Chart 1, Table 2). The influx of Polish citizens started after Poland joined the EU in 2004, and the peak was reached in 2007, with net immigration of 12,910 people (see Chart 3). Polish immigrants are spread all over Norway, but they are most numerous in Oslo and its vicinity and western counties (see Table 4). In several cases Poles are reaching 3% of total population of municipalities (see Table 5).

The fact that Polish community in Norway consists mainly of labour migrants is reflected in its age structure: more than a half of the Polish citizens is 30–49 years old, among these older than 30 there is an overwhelming majority of men (see Table 6). At the end of 2013 r. there were almost 53,000 Poles employed in different sectors of Norwegian economy on a permanent basis (see Table 7), while some 5,000 were registered as unemployed. In addition, there were 18,000 workers on contracts lasting less than 6 months (see Table 8).

**Chart 1. Biggest groups of immigrants (incl. children born to immigrants in Norway), by country of origin.**



Source: SSB

**Table 2. Immigrants and children born in Norway to immigrants (EU member states).**

EU member state	Number (in thousand)	Percentage
Poland	91,2	29,6%
Sweden	38,4	12,5%
Lithuania	35,5	11,5%
Germany	26,7	8,6%
Denmark	20,9	6,8%
United Kingdom	14,8	4,8%
Romania	11,1	3,6%
Larvia	9,5	3,1%
Other EU member states	60,4	19,6%
<b>Total</b>	<b>308,5</b>	<b>100%</b>

Source: SSB

**Chart 3. Flow of immigrants from Poland to Norway, starting from 2004.**

Source: SSB



**Table 4. Polish citizens in Norwegian counties and municipalities.**

County (fylke)	Number of Polish citizens	Municipalities with the biggest number of Polish citizens
Oslo	13392	Oslo (13392)
Akershus	12048	Baerum (3318) Asker (1608)
Rogaland	11005	Stavanger (2846), Sandnes (2326), Haugesund (1114)
Hordaland	9524	Bergen (5425), Askøy (477)
Buskerud	6374	Drammen (1670) Lier (922)
Østfold	5218	Sarpsborg (1196) Fredrikstad (1172)
Møre og Romsdal	5066	Ålesund (907) Kristiansund (482) Molde (450)
Vestfold	3642	Larvik (809) Tønsberg (653)
Sør-Trøndelag	3567	Trondheim (1860)
Vest-Agder	2013	Kristiansand (933)
Sogn og Fjordane	1952	Førde (275)
Oppland	1947	Gjøvik (341)
Aust Agder	1830	Arendal (841)
Telemark	1716	Skien (571)
Nordland	1647	Bodø (385) Narvik (192)
Hedmark	1582	Ringsaker (394)
Nord Trøndelag	1261	Steinkjer (254)
Troms	1124	Tromsø (676)
Finmark	669	Alta (208)

Source: *SSB*

**Table 5. Municipalities with the biggest number of Polish immigrants.**

Municipality	Number of Polish citizens	Poles as % of immigrants in municipality	Poles as % of total population of municipality
Oslo	13392	8,8%	2,1%
Bergen	5425	15,0%	2,0%
Bærum	3318	17,7%	2,8%
Stavanger	2846	12,1%	2,2%
Sandnes	2326	20,2%	3,2%
Trondheim	1860	9,3%	1,0%
Drammen	1670	12,4%	2,5%
Asker	1608	18,2%	2,8%
Sarpsborg	1196	17,3%	2,2%
Fredrikstad	1172	12,5%	1,5%
Haugesund	1114	22,3%	3,1%
Kristiansand	933	8,2%	1,1%
Lier	922	24,8%	3,7%
Ålesund	907	18,1%	2,0%

Source: SSB

**Table 6. Age structure of immigrants from Poland.**

Age	Number	Men	Women
0-19	16268	8445 (52%)	7823 (48%)
20-29	16050	9139 (57%)	6911 (43%)
30-49	44770	32487 (73%)	12283 (27%)
more than 50	8503	6913 (81%)	1590 (19%)
<b>Total</b>	<b>85591</b>	<b>56984 (67%)</b>	<b>28607 (33%)</b>

Source: SSB

**Table 7. Polish employees by sectors of Norwegian economy (registered as residents).**

Sector	Number of employees		as %	
Agriculture, forestry and fishing	1264		2,4	
Quarrying and mining	426		0,8	
Manufacturing	8033		15,2	
Electricity, water supply, sewerage, waste	382		0,7	
Construction	15476		29,2	
Wholesale, retail trade, repair of vehicles	4073		7,7	
Thereof: – Wholesale	1243		2,3	
Transportation and storage	2580		4,9	
Thereof: – land passenger transport	712		1,3	
Accommodation, food service activities	2800		5,3	
Information and communication	248		0,5	
Financial and technical activities	35		0,1	
Real estate and technical activities	1787		3,4	
Administrative, support service activities	10613		20,1	
Thereof: – provision of personnel	5950		11,2	
– industrial cleaning	3331		6,3	
Public administration and defence	241		0,5	
Education	727		1,4	
Health and social work activities	3195		6,0	
Other service activities	766		1,4	
Not reported	272		0,5	
<b>Total</b>	<b>52918</b>		<b>100%</b>	

Source: *SB*

**Table 8. Short-term employees from Poland by sectors of Norwegian economy (less than 6 month contracts).**

Sector	Number of employees	as %
Agriculture, forestry and fishing	1505	8,3
Quarrying and mining	367	2,0
Manufacturing	3406	18,9
Construction, communal services	5241	29,0
Wholesale, retail trade, repair of vehicles	646	3,6
Transportation and storage	577	3,2
Accommodation, food service activities	374	2,1
Real estate and technical activities	480	2,7
Administrative, support service activities (incl. provision of personnel, industrial cleaning)	5151	28,5
Health and social work activities	94	0,5
Other	225	1,2
<b>Total</b>	<b>18066</b>	<b>100%</b>

Source: SSB

**4.3. Abstract from the PISM Report. Polish and Norwegian Governance: Closing the Gaps in the framework of GoodGov project Contract No Pol-Nor/202499/39/2013—“National and European Governance: Polish and Norwegian Cooperation. Towards More Efficient Security, Energy and Migration Policies”**

**PISM Report**

**Polish and Norwegian Governance: Closing the Gaps**

Jakub M. Godzimirski, Krzysztof Kasianiuk (ed.), Kinga Dudzińska, Grzegorz Gałczyński, Tomasz Paszewski, Dominik Smyrgała

**Selected fragments**

**Complete Report is available at:**

[http://www.pism.pl/files/?id\\_plik=17889](http://www.pism.pl/files/?id_plik=17889)

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[...]

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## 6. Energy Governance: Gaps and Vulnerabilities

*Summary:* Norway's interests as a major producer and exporter of energy do not necessarily correspond with the energy interests of Poland, which imports an increasingly higher share of energy resources to meet its needs. There is, however, a certain level of complementarity between the two. Norway needs markets for its energy resources and Poland has many times expressed interest in tightening energy cooperation with Norway. Energy supplies from Norway are treated both in Poland and in the rest of the EU as politically much safer than those coming from other places, which may facilitate both bilateral, as in Polish–Norwegian, and multilateral energy cooperation within the EU/EEA framework. As the second-largest energy supplier to the EU, Norway could use its structural energy power to influence development of EU energy policy, even though Norway as a non-member does not have direct access to the European energy policymaking table. Energy cooperation between Norway and Poland and Norway and the EU could therefore help Poland and the EU deal with at least some of the energy governance-related challenges. Such cooperation could also improve Poland's overall security in a situation in which both the national and European debates on the importance of energy security have gained momentum in the wake of the Russia–Ukraine conflict. In addition, Poland strives to put in place an institutional and legal framework for shale gas extraction, and thus could still learn from the Norwegian experience with organization of the country's state-centric system of “hydrocarbon governance”, considered to be one of the most effective in the world.

### Governance gaps and overlaps between the two countries

*Poland:* Poland is a relatively resource-rich country whose present day energy governance is determined by the policies shaped in the 1960s and '70s and by its endowment with natural resources. However, it is under pressure to enhance its energy mix to include more renewable energy sources, quite opposite Norway, which, for example, produces the majority of electricity from renewable sources. In 2010, 89.13% of power generation in Poland was based on thermal power plants (fuelled by lignite and hard coal). It is estimated that Poland has enormous deposits of lignite (at least 22 billion tonnes, with reserves-to-production ratio at current production level longer than 300 years) and significant amounts of coal, sufficient for at least 50 years of production. In addition to this, 30% of domestic consumption of natural gas comes from Polish reservoirs.<sup>48</sup> Moreover, several shale gas and oil exploration projects have been launched, but the estimations regarding the size of these reservoirs vary radically. In addition, there is also a national debate on plans to produce energy from nuclear power plants.

<sup>48</sup> Polish Geological Institute, *Minerals Yearbook of Poland 2012*, Warsaw: WGI 2013.

Since the communist era, Poland has enjoyed a relatively low level of energy import dependence. However, the lack of a market economy and public debate on energy issues—present in Norway since the end of the 1960s—stimulated by the oil crisis in the Western European countries, blocked the development of a sustainable energy system. The availability of resources determines the present day energy structure of consumption, with power generation based on coal and lignite. Two pipelines, Druzhba (for oil) and Yamal (for natural gas), cross Polish territory. At present, the power transmission infrastructure requires large investments.

Unlike in Norway, up to now there has not been a single policy towards energy issues nor a comprehensive system of resources management. The most significant recent legal framework for Polish energy-related activities is provided by its *Energy Law* (1997) and *Geological and Mining Law* (2011). The first defines energy security and focuses on the long-term economic needs of consumers in the context of sustainable development.<sup>49</sup> The second includes regulations for mining, licensing and exploration activities.<sup>50</sup> Polish energy policy is strongly influenced by EU legislation, especially that related to building a common energy market and preventing climate change. One significant issue in Polish–EU relations is the question of CO<sub>2</sub> emissions (*including* the greenhouse gas allowance trading scheme). Poland, with its coal-based power and heat generation sector, has to meet goals set by EU climate policy, including the more rigorous ones formulated in the EU Energy Road Map 2050 (by up to 80–95%). Although the new goals were vetoed by Poland for reasons already stated, it cannot be excluded that the issue will return in the future.<sup>51</sup> However, within the framework of the current regulation, many issues still remain unanswered (e.g., taxation and royalties). As of 1 April 2014, there is still no new law on renewable energy (project version 6.3 is being discussed), whereas the existing legislation is widely criticized for its inefficiency in promoting the production of renewables. What is more, although by 2020 carbon emissions should not be a problem, the long-term perspective of CO<sub>2</sub> reductions pose a huge threat to the existing energy production patterns. In addition, Poland could be hit by the Dutch disease in case its high shale gas expectations were to materialize.

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<sup>49</sup> Energy security is defined as “a state of economy allowing for full coverage of the current and perspective fuel and energy demand of consumers in a way that is technically and economically justified, with the respect for environmental protection regulations,” see: *Ustawa z dnia 10 kwietnia 1997 r. Prawo energetyczne*, Dz.U. 1997, nr 54 poz. 348, art. 3, poz. 16.

<sup>50</sup> See: *Ustawa z dnia 9 czerwca 2011 r. Prawo geologiczne i górnicze*, Dz.U. 2011, nr 163, poz. 981.

<sup>51</sup> This regards especially two EU directives: 2009/72/EC, available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:211:0055:0093:EN:PDF>, and 2009/73/EC, available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:211:0094:0136:en:PDF> (accessed 2 April 2014).



The state that owns or co-owns dominant companies in the hard-coal sector,<sup>52</sup> oil sector,<sup>53</sup> and power and heat generation and distribution sector<sup>54</sup> is a dominant actor, but lacks regulatory capacities. This has been an important factor influencing recent development of the natural gas sector.<sup>55</sup> The shale gas resource potential has attracted foreign companies to Poland, but some of them have withdrawn at least partly due to the lack of a predictable legal and institutional environment. The debate on the future of the gas sector involves not only several state structures but also other important actors such as think tanks,<sup>56</sup> environmental organizations,<sup>57</sup> universities,<sup>58</sup> scientific institutions,<sup>59</sup> and local communities.

Shale gas exploration poses several challenges to energy governance that has to take into account the EU's approach to the issue. This might be a significant testing ground for the effectiveness of Polish energy governance, as there are many controversial environmental issues surrounding shale gas production (e.g., AEA 2012)<sup>60</sup> and Poland has been striving to convince some of EU members and institutions that shale gas production should not be viewed as a threat but as an opportunity. Poland has also been very active in putting energy security higher on the EU agenda with its numerous calls for more energy solidarity mechanisms and more cautious approach to energy cooperation with Russia.

As much of the external energy supplies of natural gas, oil, and coal come from the Russian Federation, it is viewed as an important, albeit problematic energy partner. Germany also plays a special role as it may help diversify energy supplies. However, Germany's close cooperation with Russia on such projects as Nord Stream is somewhat controversial (from the Polish point of view). Germany is also very important because of its focus on promotion of renewable energy and reluctance to fur-

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<sup>52</sup> Kompania Węglowa—the biggest mining company in Europe—is state-owned; Jastrzębska Spółka Węglowa, 55% of shares are owned by the state; Lubelski Węgiel Bogdanka S.A is privately owned.

<sup>53</sup> Orlen is minority state-owned, Lotos is majority state-owned and together, they hold 100% of the oil refinement capacity in Poland.

<sup>54</sup> PGE Group has 62% of shares state-owned; Energa is 50%; Enea is 52%; Tauron is 30%; and PSE Group is entirely state-owned.

<sup>55</sup> PGNiG (70% of shares state-owned) is the dominant supplier and producer of natural gas and is largely dependent on gas imported from the east. The operator and owner of the majority of the transmission infrastructure in Poland is state-owned Gaz-System, along with the joint venture joint-venture Euro-PolGaz, which is the owner of the Yamal pipeline.

<sup>56</sup> Private: Instytut Kościuszki, Instytut Sobieskiego; state-owned—Centre for Eastern Studies, Polish Institute of International Affairs; American: the state-owned German Marshall Fund.

<sup>57</sup> These are, for example, Klub Gaja, Greenpeace.

<sup>58</sup> These are, for example, Warsaw University of Technology.

<sup>59</sup> These are, for example, Polish Geological Institute of Polish Academy of Sciences.

<sup>60</sup> "Support to the identification of potential risks for the environment and human health arising from hydrocarbons operations involving hydraulic fracturing in Europe", Report for European Commission DG Environment, AEA/R/ED57281, no. 17c, 10 October 2012.

ther develop atomic energy. France is cooperating with Poland in its efforts to alter the European energy security system and, contrary to Germany, is actively advocating the idea of the development of the nuclear sector in Poland as a major supplier of technology.

Although the Polish government seems to be a major player in a complex network of domestic and foreign actors of public and private nature, one of its main challenges concerns the effective coordination of energy-related activities within the public institutional framework. There are many bodies involved in the energy governance process. In terms of legislation, all important decisions are made by the Sejm (parliament) but the executive landscape is far more complex. The Ministry of Economy coordinates the macro-aspects of energy (imports, exports, production patterns). The Ministry of the Treasury appoints the management and supervisory boards in companies and oversees the financial results of their activities. The Ministry of Environment is responsible for concessions and environmental management. Although theoretically the Ministry of Foreign Affairs has no competences in terms of running energy policy, the international character of the majority of ventures means it also has a role to play. This particularly applies to shale gas development. The Polish Energy Regulatory Office (Urząd Regulacji Energetyki) is responsible for regulating the everyday aspects of energy production (e.g., prices). The Competition and Consumer Protection Office (Urząd Ochrony Konkurencji i Konsumentów) provides protection to individual consumers. There are also many regional and local authorities that have a direct and indirect impact on energy governance, e.g., State Mining Authority and its local branches, various local inspections (e.g., local sanitary, environmental protection, labour and other inspections), etc. The Interministerial Team for Implementation of Energy Policy of Poland (Międzyresortowy Zespół do spraw Realizacji, Polityki energetycznej Polski do 2030 roku), which was introduced in 2010, is formally subordinated to the prime minister and his chancellery; however, it has a fairly weak legal basis as its work is regulated by a resolution of the prime minister and not by a parliamentary act. As its name suggests, all ministries are treated equally. The lack of a single strategic document and institutional centre coordinating the implementation of energy policy along with conflicting existing laws<sup>61</sup> further undermines the effectiveness of energy governance in Poland. All of these factors may suggest that closer cooperation with Norway, which over the last four decades has shown an amazing ability to adapt to new energy realities and thus has built an efficient system of energy governance, may help Poland improve its own energy governance.

<sup>61</sup> A. Hucko, J. Talarowski, "Arbitraż PGNiG S.A. vs. OAO Gazprom—prawna istota sporu" [PGNiG S.A. vs. OAO Gazprom Arbitration—The Legal Essence of Dispute], *Gazeta Finansowa*, 14 January 2012, available at: [www.gf24.pl/6478/arbitraz-pgnig-s-a-vs-oao-gazprom-%E2%80%93-prawna-istota-sporu](http://www.gf24.pl/6478/arbitraz-pgnig-s-a-vs-oao-gazprom-%E2%80%93-prawna-istota-sporu) (accessed 3 April 2014).

*Norway:* Over the last four decades, Norway has developed from a “normal” Western importer of hydrocarbons to a key regional and global energy player. Norwegian energy production reached its peak in 2003. According to data from the last pre-crisis year (2007), oil represented 57%, gas 36%, renewables 6% and solid fuels 1% of Norwegian energy production. Norway exports almost eight times more energy than it consumes. Renewable energy, almost exclusively hydropower, represented 45%, oil 35%, gas 17% and solid fuels 3% of gross inland energy consumption in Norway.

These specific features of the Norwegian energy sector also play a special part in the way the governance of the energy sector in Norway is organized. The issue of political and institutional control over the development of the energy sector in Norway was solved with the announcement in 1971 of the Norwegian “10 oil commandments”, underlining the need for national supervision and control of all operations on the Norwegian Continental Shelf (NCS).

The adoption of that set of rules and their mostly successful implementation have been made possible partly due to the previous Norwegian experience with the development of domestic hydropower energy resources under strict state control based on the principle of the right of reversion. Also, Norway’s mature political culture and consolidated democracy have been factors reducing the possibility of a resource curse in Norway.<sup>62</sup>

The Norwegian model of ownership and management of natural resources is characterized by the central role of the state not only in the petroleum sector but also in electricity, through the right of reversion. Implementation of this policy has resulted in the state being able to absorb about 80% of the resource rent through the use of various fiscal instruments that have not seemingly prevented a huge inflow of foreign capital and companies to the Norwegian energy sector.<sup>63</sup> Securing such a high share of resource rent has been crucial for realization of the Norwegian grand strategy of social and economic development, and Poland should definitely look into this experience when developing its own hydrocarbon resources. Thanks to tight political and state control of the management of the nation’s energy resources and revenues, Norway is one of the few resource-abundant countries that have consistently performed well in economic, political and social terms.

However, it is not only the political oversight that has secured this success. In addition, the way the work of the sector was organised administratively plays a crucial part. The Norwegian parliament (the *Storting*) provides political guidelines for

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<sup>62</sup> T. Gylfason, “A Nordic Perspective on Natural Resources Abundance,” in: R.M. Auty (ed.), *Resource Abundance and Economic Development*, Oxford: Oxford University Press 2001, pp. 296–311.

<sup>63</sup> *Ibidem*.

development of the country's energy resources by passing legislation and adopting *proposals*. The Storting also supervises the work of the government and the public administration.

The Ministry of Petroleum and Energy is responsible for resource management and for the sector as a whole. The Ministry of Labour has the responsibility for health, the work environment and safety in the energy sector, also through The Petroleum Safety Authority, which is responsible for technical and operational safety. The Ministry of Finance deals with the collection, management and distribution of state revenues from the energy sector, and a special role in the process is played by the Petroleum Tax Office, which ensures correct levying and payment of taxes and fees, The Directorate of Customs and Excise is responsible for levying and payment of the NOx tax, and finally the Government Pension Fund-Global is responsible for management of revenues generated by the petroleum sector. The Ministry of Fisheries and Coastal Affairs and the Norwegian Coastal Administration have the main responsibility for oil-spill contingency measures and the Ministry of Environment is responsible for the external environment and for upholding environmental standards in the energy sector.

There are also other bodies and organizations working specifically on energy-related matters. The most important of these are the Norwegian Petroleum Directorate (NPD), Petoro, Gassco, Gassnova and Statoil, all dealing with petroleum-related issues, and the Norwegian Water Resources and Energy Directorate (NVE), Statnett and Enova, in the electricity sector, which represents more than 45% of the country's energy mix.

NPD is responsible for the management of Norway's petroleum resources, and acts as an important advisory body for the Ministry of Petroleum and Energy. Petoro is a state-owned corporation responsible for the operations of the State's Direct Financial Interest (SDFI) on behalf of the state. Gassco is a state-owned corporation responsible for the transport of natural gas from the NCS, while Gassnova is an administrative agency tasked with promoting and supporting innovation and the development of environmentally friendly gas-power technology.

The NVE is the regulator for Norway's electricity industry and its hydro-assets, and is responsible for the administration of the country's water and energy resources. Statnett is responsible for the construction and operation of the central electricity grid. It owns about 87% of the central grid and operates the entire system. Enova is an autonomous public enterprise responsible for promoting energy savings, new renewables, and environmentally-friendly natural gas solutions.

A very specifically Norwegian solution is *the Senior Management Forum (Toppled-erforum)*, established in 2000 and chaired by the minister of Petroleum and Ener-

gy. This body was intended as a discussion forum and did not take any formal decisions on oil and gas policy, although between 2000 and 2009 it was seen as an important meeting place for state and non-state actors operating in the Norwegian energy sector.<sup>64</sup>

More than 50 companies operating on the Norwegian continental shelf play an important part in Norway's energy governance. Statoil, the national state-owned oil and gas company, generates 9% of GDP, 13% of state revenue and 18% of export revenue, which makes it an important stakeholder and actor in the country's energy sector.

In addition to the political parties that have the overall political responsibility, administrative bodies that are responsible for implementation of the policy, and corporate actors who operate in the sector, there are also many other national and international stakeholders whose interests and actions play a part in shaping Norwegian energy governance, including NGOs such as Bellona, Naturvernforbundet (The Norwegian Society for the Conservation of Nature), various environmental associations and organizations, and professional organizations.

Norwegian energy governance is also influenced by choices, decisions and steps taken by other actors. Some of those actors are direct or indirect competitors on regional and global energy markets, while others are important customers and buyers of Norwegian energy commodities. Due to its key position on the Norwegian energy interest map and its ability to project its regulatory power the EU is undoubtedly the most important of these external energy agenda setters and it is namely within this EU regulatory energy framework that both Polish and Norwegian energy policies are today shaped.

### **Domestic and external governance vulnerabilities**

*Poland:* There is a number of external and internal factors that make Polish energy governance vulnerable. As to external aspects, due to relatively large amounts of energy resources already explored (lignite and coal), Poland needs to balance its role in the EU and global markets. This puts it in a difficult situation in terms of sustaining its economic growth based on present and future reserves of energy resources. To now, Poland has not been capable of promoting its energy interests in the RES Directive formulation process within the EU. However, the Russian aggression against Ukraine opened a new window for revival of the idea supported by the Polish government that coal should be treated as one of the important elements of the European energy mix (March 2014). The second external factor mak-

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<sup>64</sup> For more information about this new organization, see [www.energirike.no](http://www.energirike.no).

ing Polish energy governance vulnerable is the growing energy import dependence, especially import dependence on a Russia that has decided to challenge the European post-Cold War order by its actions in and around Ukraine. Poland could deal with some of the external energy vulnerabilities by addressing some domestic vulnerabilities in energy governance.

A major internal weakness and vulnerability in Poland is the lack of a single body designing and coordinating the implementation of the country's energy policy. Most importantly, the large number of state institutions involved in the energy governance process results in the lack of clarity on the basic goals and means of energy policy. This is visible in both the failure to agree on setting up a NOKE (National Operator of Energy Resources) and the inability to introduce resource management tools. The political elites seem to be aware of the problems caused by the ineffective institutional design, but the idea of delegating the tasks to a single body with authoritative power has not been implemented yet. The institutional fragmentation enhances the malfunction of the policymaking process and prevents the implementation of adequate regulatory means. This situation might further limit control over important factors affecting the country resources management.

*Norway* also faces several external and internal vulnerabilities in the field of energy, but Norwegian energy governance seems to be much better coordinated than Poland's and the vulnerabilities have mostly a structural character stemming from Norway's role as an important regional and global energy actor.

On the domestic front and due to the high share of hydropower in domestic energy consumption, the issue of climate risk mitigation is important. The response to this challenge / vulnerability has been both internal and external in nature. Internally it is about development of infrastructure that could help reduce local risks by making the country's energy system more flexible and better interconnected. Externally, it has been the launching of close energy cooperation with other regional actors, whose energy resources can complement the Norwegian ones and be used to supply Norway with energy in critical periods.

The major external vulnerability is caused by the fact that 95% of gas and more than 80% of oil is exported and Norway is therefore exposed to external energy trends and has to cope with issues such as price volatility and external regulation of energy markets. As most of Norway's energy resources are exported to the EU and since the country is also party to the EEA agreement, Norwegian energy governance is to a large extent influenced by EU-imposed rules and regulations, which can pose a challenge due to the lack of direct access to EU decision-making and policymaking bodies. As the EU's energy policy has been increasingly focused on sustainability and climate-related issues Norway has also had to cope with the environmental footprint of its energy sector, both domestically and internationally.

Another long-term vulnerability is Norway's overdependence on revenues generated by the country's energy sector and a possible negative impact if they fall on the country's economy. The question was addressed by the introduction in 2001 of the so-called budgetary rule (*handlingsregel*) that states that a maximum of 4% of the fund's value should be allocated to the yearly government budget in order to secure sustainable development of the country for many decades to come and to avoid the Dutch disease. Since revenues generated by the country's energy sector play an important role in the country's economy and secure the functioning of the country's welfare system, not only now but also in the future (the Government Pension Fund-Global, or GPF-G), Norwegian governance structures also have to work to reduce the exposure of this national sovereign wealth fund to global and regional investment risks and cope with various ethical, social, political and economic concerns related to management of the fund.

## 7. Migration Governance: Gaps and Vulnerabilities

*Summary:* Polish and Norwegian perspectives on migration differ. Poland is a sending country that has to deal with the outflow of migrants and labour, while Norway, a receiving country faces a different set of migration-related challenges. Nevertheless, Poland still can learn much from Norway when it comes to migration governance. Faced with this huge outflow, Poland will have to embark on establishing more active migration policy and encouraging citizens of other countries to come to Poland to fill the demographic gap caused by negative demographic trends, including migration of Poles to other European countries. Learning from the Norwegian experience as a receiving country could help Poland avoid at least some migration-related pitfalls and traps. In addition, it is in the interest of both Poland and Norway that the EU designs and implements a comprehensive common policy on free movement of people and migration. Poland, the key sending country, and Norway, the key receiving country, may play a constructive part in this process by working closer together and by sharing their experience with other European actors facing similar dilemmas.

### Governance gaps and overlaps between the two countries

*Poland:* Polish migration governance is *in statu nascendi*. Unlike in Norway, migration problems are not vital in Poland, although the issue might come higher on the agenda soon, especially when considering the recent situation in Ukraine. Migration issues were not a subject of interest for public institutions during the communist period, but the opening of borders after 1989, and especially Polish membership in the EU, has changed the picture and migration has become a more central topic in the public debate. There are several reasons for that. First, after 1989 and

even more so after 2004, more Poles could travel and settle abroad. Second, the collapse of the Soviet Union has resulted in more focus on the fate of Poles living in the post-Soviet space. Third, Poland has experienced long periods of relatively quick economic growth that when combined with Polish membership in the EU has made it more attractive as a target country to migrants from various parts of the world. For almost 60 years after WWII, Poland had been an ethnically homogeneous country, and according to the most recent national census, in 2011 the immigrant population in Poland was still only 0.1% of the total population.<sup>65</sup> But this is probably about to change and this change will require a more comprehensive and effective approach to the issue of migration on the part of state institutions and society in general.

At the moment, Poland is one of a few countries in the European Union with a negative balance of migration, which means that more people are leaving the country than arriving. After the collapse of the communist bloc, three waves of emigration took place—at the very beginning of the 1990's, after 2004 (EU accession) and between 2008–2010 (economic crisis). Each of the waves was predominantly economically driven, due to the high unemployment rate in Poland, and problems with the development of the labour market. Poles were looking for job opportunities outside the country, mostly within the EU. In 2013, about 14% Poles declared that since Poland had joined the EU they had experience working abroad.<sup>66</sup>

One of the obvious effects of the long history of Polish migration is the very large Polish diaspora abroad, but its exact description in statistical terms is extremely difficult and burdened with high risk. A particularly characteristic feature of Polish migration policy after 1989 are actions taken towards citizens and their descendants remaining outside of the territory of the Second Republic of Poland, who at the end of World War II were found on the territory of the Soviet Union. In 2007, the parliament passed the Law on the Polish Charter (*Karta Polaka*), addressed to the citizens of the former Soviet Union member states. The scale of “repatriation” to Poland proved to be small though—since the end of 2011 until today, as part of the repatriation programme only 5,215 people have resettled. A large effort by state bodies was aimed at strengthening the position of the Polish community and improvement of the situation of Poles in the countries of residence. However, the Polish government is still concerned with the situation of Polish minorities in neighbouring countries, especially in Lithuania and Belarus. In Lithuania, Poles who are so-called autochthons form 6% of the population. In Belarus, according

<sup>65</sup> See: [http://epp.eurostat.ec.europa.eu/cache/ITY\\_OFFPUB/KS-SF-12-031/EN/KS-SF-12-031-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-SF-12-031/EN/KS-SF-12-031-EN.PDF)

<sup>66</sup> “Poakcesyjne migracje zarobkowe” [Post-Accession Labour Migration], *Komunikat z badań*, BS/166/2013, CBOS 2013, available at: [www.cbos.pl/SPISKOM.POL/2013/K\\_166\\_13.PDF](http://www.cbos.pl/SPISKOM.POL/2013/K_166_13.PDF) (accessed 14 April 2014).



to Polish estimates there are about 200 000 people of Polish origin residing in the Minsk district.<sup>67</sup>

As far as migration to Poland is concerned, Poland has attracted mostly non-EU citizens (e.g. Armenians, Vietnamese, Ukrainians and Belarusians). In the first half of the 2013, the groups that most often applied for a permit to settle in Poland were Ukrainians, Belarusians, Russians and Armenians. More than 117,000 valid residence cards have been issued by that time. Most of them were issued to Ukrainians (31%), Vietnamese and Russians (both 11%), and Belarusians (9%). Most foreigners (39%) live in the Mazowieckie voivodship.<sup>68</sup> Poland is often considered not as a target point but as a transit country. In effect, the diversification of Polish society, different than in Norway, does not progress at a fast pace, and Poland has not been prompted to create a coherent migration policy.

Today, migration is still not a strategic or pivotal issue in Poland. However, its significance is growing, especially as regards EU external borders and security.<sup>69</sup> At the same time, migration has a large potential of being an important social issue, and Poland is on the verge of problem recognition. In 2012, Eurobarometer showed that 68% of Poles responded that legal immigrants from outside the EU “should have the same rights as nationals of that country”.<sup>70</sup> This places Poland in the middle of the European countries.

Poland faces two major problems regarding migrants. First, it struggles with the underdeveloped awareness and tools needed for integration of foreign immigrants in Poland. It simply lacks legal and organizational means useful for their reception. The second problem is how to entice Polish emigrants to return to Poland to best utilize their social and economic experience and capital. However, the effectiveness of public programmes in this field is very limited.

The legal and institutional framework for migration policy has developed rather slowly. In 1997, *The Act of Foreigners* replaced regulations from 1963 that had

<sup>67</sup> The estimates have been done by the Minsk District Consular Department of the Embassy of the Republic of Poland covering four circuits (Minsk, Vitebsk, Mogilev and Gomel). [www.minsk.msz.gov.pl/pl/wspolpraca\\_dwustronna/polonia\\_na\\_bialorusi/polacy\\_na\\_bialorusi;jsessionid=5823D8F3FEB-F3028ADB5FE5955356936.cmsap1p](http://www.minsk.msz.gov.pl/pl/wspolpraca_dwustronna/polonia_na_bialorusi/polacy_na_bialorusi;jsessionid=5823D8F3FEB-F3028ADB5FE5955356936.cmsap1p) (accessed 14 April 2014).

<sup>68</sup> See: [www.udsc.gov.pl/Dane,liczbowe,dotyczace,postepowan,prowadzonych,wobec,cudzoziemcow,w,pi\\_erszej,polowie,2013,roku,2225.html](http://www.udsc.gov.pl/Dane,liczbowe,dotyczace,postepowan,prowadzonych,wobec,cudzoziemcow,w,pi_erszej,polowie,2013,roku,2225.html) (accessed 14 April 2014).

<sup>69</sup> A. Bobrowska, “Migracje Polaków po przystąpieniu do Unii Europejskiej” [Migrations of Poles after EU accession], *kwartalnik Colloquium Wydziału Nauk Humanistycznych i Społecznych*, 2013, no. 2, pp. 49–64, [www publikacjeonline.wnhis.iq.pl/numery/X/AB.pdf](http://www publikacjeonline.wnhis.iq.pl/numery/X/AB.pdf) (accessed 14 April 2014).

<sup>70</sup> J. Suhecka, M. Urzędowska, P. Pacewicz, “Polska dla Polaków. Dwie trzecie Polaków nie chce u nas więcej imigrantów” [Poland for Poles: Two-thirds of Poles don’t want more immigrants], *Gazeta Wyborcza*, 25 October 2013, available at: [http://wyborcza.pl/1,75478,14839180,Polska\\_dla\\_Polakow\\_Dwie\\_trzecie\\_Polakow\\_nie\\_chce.html#ixzz2yaJSIwS6](http://wyborcza.pl/1,75478,14839180,Polska_dla_Polakow_Dwie_trzecie_Polakow_nie_chce.html#ixzz2yaJSIwS6) (accessed 14 April 2014).

been previously frequently amended. In 2001, the Office for Foreigners was established, and in 2007 the Interministerial Team/Group for Migration within the Chancellery of the Prime Ministry was established. The process of putting migration issues on the agenda was a long one, led mostly by state institutions and with limited public participation. Polish migration policy is today designed and implemented by parliament and several state bodies. The Ministry of Internal Affairs, Ministry of Labour and Social Policy, Ministry of Foreign Affairs and the Office for Foreigners are the key executive actors. This shows that migration policy is conceptualized at the central level. However, Poland still manages migration horizontally, where the division of powers between several institutions is not clear. This complicates functioning of immigrants in Poland and realization of the country's migration policy.

*Migration Policy of Poland—the current state and further actions (2012)* is a strategic document in the process of implementation. It shows that the government understands the issue, but does not support policy formulation in a substantial manner. This has resulted in the lack of coordination in the legal field and chaotic activities by public institutions on all authority levels. For example, there were no clear provisions and procedures regarding the mode of traffic and stay for foreigners.<sup>71</sup> However, Polish legislation is being constantly amended. The most recent amendment to the Aliens Act from 12 December 2013 includes a new package of solutions that facilitates foreigners to work and study in Poland and those who wish to legalize their stay.<sup>72</sup> The law entered into force on 1 May 2014<sup>73</sup>.

The Polish government has successfully influenced the EU on Small Border Traffic. The agreement enables free traffic of people living in areas close to the EU external border (Kaliningrad, Ukraine and Belarus), which was an exception to the rules previously followed by the European Union. In fact, since the beginning, migration policy in Poland is in some sense subordinated and results from initiatives that are taken at the EU level. However, realistically Poland tries to influence and shape the EU's external policy on migration, in which the change and implementation of new rules on small border traffic are the best example.

<sup>71</sup> The Centre of Migration Research (CMR) is an interdisciplinary inter-faculty research unit of the University of Warsaw, specializing in studies on migration processes in Poland and in Europe. However, there are some other academic centres (The Research Committee on Migration PAN) think tanks and NGOs also dealing with the problems of migration.

<sup>72</sup> "Od 1 maja ułatwienia dla cudzoziemców mieszkających, studiujących i pracujących w Polsce," 8 January 2014, Urząd do Spraw Cudzoziemców, available at: [www.udsc.gov.pl/Nowa,ustawa,o,cudzoziemcach,podpisana,przez,Prezydenta,RP,2242.html](http://www.udsc.gov.pl/Nowa,ustawa,o,cudzoziemcach,podpisana,przez,Prezydenta,RP,2242.html) (accessed 14 April 2014).

<sup>73</sup> *Ustawa z dnia 12 grudnia 2013 r. o cudzoziemcach*, poz. 1650, available at: [www.udsc.gov.pl/files/prawo/ustawy/Ustawa%20o%20cudzoziemcach%20z%20dnia%2012%20grudnia%202013%20r.pdf](http://www.udsc.gov.pl/files/prawo/ustawy/Ustawa%20o%20cudzoziemcach%20z%20dnia%2012%20grudnia%202013%20r.pdf) (accessed 14 April 2014).

*Norway:* The issue of migration is one of the key issues in the Norwegian public debate. This has to do with the fact that the Norwegian society over the last few decades has undergone a deep transformation caused partly by migration. Since the 1960s, more people have been moving to Norway than moving from Norway—in 2011, migration skyrocketed to more than 47,000. In 2012, labour migrants were the most significant group, followed by family migrants and forced migrants (refugees and asylum seekers). Two-thirds of 25,500 labour migrants who came in 2012 came from the new EU countries, and, of these, nearly half came from Poland. The two biggest groups among 7,100 forced migrants were Somalis and Eritreans.

By 1 January 2012, there were 407,262 foreign citizens and 655,170 persons who were either born abroad or had two parents who were born abroad. They represented 8.2% and 13.1% of the whole population of the country, respectively. Some 41.8% of migrants in Norway came from the West (EU/EEA area, Switzerland, the U.S., Canada, Australia, New Zealand) and 58.2% had a non-Western background. By 1 January 2013, migrants from Poland, Sweden, Pakistan, Somalia, Lithuania, Iraq, Germany, Vietnam and Denmark were the biggest groups, represented by more than 20,000 individuals each.

The process of diversification of Norwegian society has made the issue of migration one of the most divisive topics in the domestic Norwegian debate and has some impact on Norwegian foreign policy. According to the most recent study on public attitudes towards migration,<sup>74</sup> 72% had a mostly positive attitude towards migrants' role in the economy, while 35% supported the statement that “most immigrants are a cause of insecurity in society”, with 52% expressing the opposite view.

The country's system of state governance has had to adapt to these new migratory circumstances. A very good overview of the institutional dimension of Norwegian migration governance is provided in the recent DIFI study on Norway's participation in Schengen.<sup>75</sup> Also, annual reports on migration in Norway, the last of which was published in 2013,<sup>76</sup> and the iFacts series published annually by the Directo-

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<sup>74</sup> S. Blom, “Holdninger til innvandrere og innvandring 2013,” *SSB Reports*, 2013, no. 64, available at: [www.ssb.no/befolkning/artikler-og-publikasjoner/\\_attachment/154475?\\_ts=142ff59d60](http://www.ssb.no/befolkning/artikler-og-publikasjoner/_attachment/154475?_ts=142ff59d60) (accessed 25 March 2014).

<sup>75</sup> *Norsk medvirkning i visumsamarbeidet innenfor Schengen. En gjennomgang av organisering og arbeidsformer*, DIFI Rapport, 2012, no. 3, available at: [www.difi.no/filearchive/difi\\_rapport\\_2012\\_3\\_norsk\\_medvirkning\\_i\\_visumsamarbeidet\\_innenfor\\_schengen.pdf](http://www.difi.no/filearchive/difi_rapport_2012_3_norsk_medvirkning_i_visumsamarbeidet_innenfor_schengen.pdf).

<sup>76</sup> E. Thorud, “International Migration 2012–2013,” IMO Report for Norway, Oslo: Ministry of Children, Equality and Social Inclusion, Ministry of Justice and Public Security, Ministry of Labour, Ministry of Education and Research 2013, available at: [www.regjeringen.no/upload/JD/Vedlegg/Rapporter/Norway\\_IMO\\_report\\_2012\\_2013-final.pdf](http://www.regjeringen.no/upload/JD/Vedlegg/Rapporter/Norway_IMO_report_2012_2013-final.pdf).

rate of Integration and Diversity (IMDi)<sup>77</sup> give good insights into how governance of that complex field is organized in Norway.

Political oversight over migration is the responsibility of the Storting, which formulates political guidelines and shapes policies for refugees, immigration and integration and sets the framework for municipal integration work through the Norwegian Introduction Act. The implementation of the policy is the responsibility of several state bodies and organs. The Ministry of Justice and Public Security has the overall administrative responsibility and oversees the work of the Norwegian Directorate of Immigration (UDI), the Immigration Appeals Board (UNE) and the National Police Immigration Service. The UDI is the central agency in the field that implements and helps to develop the government's immigration and refugee policy while UNE is an independent administrative body that considers appeals against the UDI's decisions pursuant to the Immigration Act and the Norwegian Nationality Act. The main duties of the National Police Immigration Service are to register asylum seekers, to investigate asylum seekers' travel routes and ascertain their identities, to prepare and implement final rejections in asylum cases, and to coordinate and ensure all deportations from Norway. The integration of migrants is the responsibility of the Ministry of Children, Equality and Social Inclusion that also oversees the work of the Norwegian Directorate of Integration and Diversity (IMDi). IMDi's task is to implement and help develop the government's integration and diversity policy in close cooperation with municipalities, government agencies, the private sector and various types of voluntary organisations and NGOs. Also, the Ministry of Foreign Affairs and Norwegian diplomatic missions abroad play a part as a first-line service for foreign nationals who want to visit or move to Norway.

Migration policy is regulated by several legal acts such as the Immigration Act, the Norwegian Nationality Act and the Introduction Act. The Norwegian Nationality Act of 10 June 2005, which entered into force on 1 September 2006, regulates the issue of citizenship and is based on the principle of single citizenship. The Introduction Act that entered into force on 1 September 2005 stipulates that all newly arrived foreign nationals between 18 and 55 years of age—with the exception of Nordic citizens and foreign nationals covered by the Agreement on the European Economic Area (the EEA Agreement)—have the right and the obligation to participate in an introduction programme. The programme is to help them adapt to their new situation by providing basic Norwegian language skills, basic insights into Norwegian society and by preparing them for participation in working life. The Immigration Act of 15 May 2008 regulates the entry of foreigners into Norway and their right to stay and work in the country. The act and the correspond-

<sup>77</sup> „Fact booklet about immigrants and integration,” *iFact 2013*, IMDI, available at: [www.imdi.no/Documents/BrosjyreHefterHaandbok/iFACTS2013.pdf](http://www.imdi.no/Documents/BrosjyreHefterHaandbok/iFACTS2013.pdf).

ing Immigration Regulation entered into force on 1 January 2010. There are four categories of people who can be admitted as migrants to Norway: 1) labour immigrants, i.e., persons who have received a concrete job offer; 2) persons with close family ties to somebody residing in Norway; 3) students, trainees, au pairs and participants in exchange programmes; 4) refugees and persons who qualify for a residence permit on humanitarian grounds.

Norwegian migration policy is influenced also by agreements between Norway and the European Union.<sup>78</sup> The three most important of these migration-related agreements are the EEA agreement (1992) on the participation in the EU's "Internal Market", regulating in part the issue of labour migration, the Schengen agreement (1999) on the common external border and free movement of people within Europe, and the Dublin agreements (2001-2003) on how asylum-seekers should be treated (including Eurodac cooperation). The EEA agreement has had a positive effect on cross-border economic activity, including labour migration. According to a 2012 study on Norway's agreements with the EU,<sup>79</sup> Norway is among the countries in Europe that in relative terms has had the highest labour immigration from the new EU countries and these new migrants are today an integrated and necessary part of the Norwegian economy, contributing to its further development.

### Domestic and External Governance Vulnerabilities

*Poland:* Polish migration governance is highly vulnerable due to the impact of predominantly internal factors. Although external processes, such as migration movements, seem to be present and influence the migration policies of other European countries, neither of the two is monitored in a comprehensive way by the Polish government. Moreover, Poland remains a "transit" country, and not many immigrants are willing to stay in the country permanently. For these reasons, Poland generally needs active management of migration. So far, authorities have focused on the liberalization of legalization issues and have not defined which groups of migrants should be encouraged to move to Poland. The immigration system is frequently abused, and Polish migration policy is not prepared for the problems stemming from the low level of cultural integration of immigrants. This stems also from the lack of relevant expertise in the country.

<sup>78</sup> For more on that, see: *Norsk flyktning- og migrasjonspolitik i et europeisk perspektiv*, Melding til Stortinget, 2009–2010, no. 9, available at: [www.regjeringen.no/pages/2477057/PDFS/STM200920100009000DDDDPDFS.pdf](http://www.regjeringen.no/pages/2477057/PDFS/STM200920100009000DDDDPDFS.pdf).

<sup>79</sup> *Utenfor og innenfor: Norges avtaler med EU*, NOU, 2012, no. 2, Departementenes servicesenter, Informasjonsforvaltning 2012, available at: [www.regjeringen.no/pages/36797426/PDFS/NO-U201220120002000DDDDPDFS.pdf](http://www.regjeringen.no/pages/36797426/PDFS/NO-U201220120002000DDDDPDFS.pdf).

The internal vulnerabilities of Polish migration governance stem from the weaknesses of its institutional design. The lack of state capability of monitoring migration movements (e.g., temporary or permanent emigration of Poles, illegal immigrants) in a holistic and coordinated manner, practically excludes the possibility of implementation of coherent strategy, suitable for Poland's economic, social and cultural situation. Migration policy is indeed reactive and not constructive enough in the longer-term perspective. Additionally, the power of the body responsible for migration policy strategy is relatively weak. It is only a quasi-coordination body, with an advisory and expert role. It is supposed to help determine the steps needed for implementation of migration policy objectives and identification of relevant actors (institutions and organizations, teams, NGOs) that might help with implementation of policy, integrating such specific issues as employment, education, visas, refugees, etc. In that respect, it relies on the means and modes of operation of secondary institutions, including a number of non-governmental organizations.

*Norway:* The relatively high and still increasing share of the migrant population in Norway poses a number of challenges to the country's system of governance, which has to deal with these issues on its own or in cooperation with others. The most important internal vulnerability is the lack of coherent and efficient policy of integration of migrants into Norwegian society, which is indeed of crucial importance in a society with an increasing share of migrants. Another internal/external vulnerability linked partly with the first one, stems from the fact that many forced migrants come from conflict areas, may become radicalized and take active part in conflicts in their countries of origin or in other areas (most recently, Syria). This poses a challenge not only to the country's migration policy but also to its security policy as those radicalized groups may be prone to commit acts of terrorism also on Norwegian soil. The very existence of various ethnic diasporas with their own political agendas in Norway can also be viewed as a potential vulnerability and challenge to migration governance.<sup>80</sup> The great influx of labour migrants to Norway has been mostly viewed as a positive development in a time of high demand for labour, but may pose some social and economic problems in the future and strain the Norwegian welfare system.<sup>81</sup> In order to address the issue of labour migration Norway cannot act alone as labour migration to Norway is regulated mostly by Norway's agreements with the EU. Norway may therefore face a situation in which it will have to deal with a supranational body with which Norway has only limit-

<sup>80</sup> For more on this type of challenge, see J.M. Godzimirski, I.B. Neumann, S. Alghasi, *Norges nye vi: Diasporaer som faktor i norsk utenrikspolitikk*, Rapport til Utenriksdepartementet, NUPI 2011. See also, J.M. Godzimirski, "Diasporaer og norsk utenrikspolitikk," *Internasjonal Politikk*, 2011, no. 4, pp. 576–613.

<sup>81</sup> For more on that see G. Brochmann, *Velferd og migrasjon. Den norske modellens framtid*, NOU 2011, no. 7, Velferds- og migrasjonsutvalget, available at: [www.regjeringen.no/pages/16413697/PDFS/NOU201120110007000DDDPDFS.pdf](http://www.regjeringen.no/pages/16413697/PDFS/NOU201120110007000DDDPDFS.pdf).

ed ability to influence and which may be unwilling to accommodate Norway's political, economic or social interests. This lack of direct influence on decisions that partly regulate Norwegian migration policy can be viewed as a key external vulnerability of Norwegian migration governance.

## 8. Conclusions and Policy Recommendations

[...]

With regard to energy governance, and migration governance, the main conclusions of the study can be summed up as:

- The study has revealed huge governance-related differences, not only between Poland and Norway but also between energy and migration governance.
- The current state of governance in both countries is the result of the interaction of various internal and external factors; historical experience and path dependence; geographical location and the challenges that poses; endowment with and access to various types of resources; institutional solutions and membership in various international organizations and frameworks that, as the EU is to Poland and the EEA is to Norway, set their own governance-related priorities, rules and solutions that also have direct and indirect impacts on national governance.
- Due to recent historical experience and evolution of the political systems, the governance system in Norway is more efficient than in Poland. This can be at least partly explained by the application of domestic learning mechanisms in Norway where governance reviewing and learning play an important part and by the apparent lack of institutional learning capacities in the case of Poland.
- Norway ranks higher than Poland in governance terms as assessed by the WGI in all six key governance categories. Transfer of governance-related knowledge between Norway and Poland should be therefore possible and Poland should be able to improve its governance by learning from Norwegian governance.
- However, the potential process of governance learning can be hampered by structural differences between Norway and Poland, by the fact that Poland and Norway belong to various categories in energy and migration governance, and by the fact that Norway has decided to stay outside of the EU while Poland is a full-fledged member. This means that Poland participates in the EU's experimentalist governance, while Norway has no direct access to this common European governance-learning arena.
- What complicates the picture even more is the fact that the experimentalist approach to governance learning works better in some fields, such as energy and

migration, and is much less present and efficient in other governance fields, such as security.

- All of the governance-related challenges notwithstanding, Poland and Norway should work closely together and, when possible, coordinate their policies and share their experience with other EU members to improve the quality of governance in this organization which is the mainstay of their social, and economic security.

## Recommendations

Based on the results of the study, we can formulate some general and field-specific policy recommendations that can address at least some of the vulnerabilities revealed in this analysis and help close some governance gaps between Poland and Norway. The most important conclusion and recommendation from that study is the need to address the question of the lack of institutional-learning capacity in Poland, which seems to limit the ability of the Polish policymaking community to improve the state of governance in the country.

[...]

### Recommendations for energy

Although Polish and Norwegian interests in the energy field differ, the recommendations aim at improving energy security in both the countries in question and in Europe in more general terms.

#### Poland

- Poland should step up its efforts to build a more balanced energy mix in line with EU requirements and expectations and take active part in setting up a pan-European cooperation network promoting a common European energy security policy.
- The national energy policy itself has to be put into reasonable form, by limiting its objectives and presenting a clear and understandable hierarchy.
- The state should coordinate its works more efficiently, perhaps by establishing one body to coordinate national energy policy. Also, more effective resource management tools should be introduced.
- The state and non-state actors should be more involved in dialogue amongst themselves in order to better understand their own needs and expectations at each level.



## Norway

- In order to minimize climate-related risks to energy provision caused by the high share of hydropower in the domestic energy mix, Norway has to diversify sources of domestically available energy, develop domestic energy infrastructure and increase the level of energy cooperation with other actors that can provide Norway with needed backup capacity.
- Although this could result in further integration of the Norwegian grid with the European one and could have some short-term negative consequences for Norwegian domestic energy consumers, Norway should consider allowing the use of its hydro-resources as a “stabilizer” of the green energy system under development in Europe.
- As an important energy exporter, Norway is exposed to external energy trends and has to cope with price volatility and external regulation of energy markets. In order to be able to operate in a more predictable energy environment Norwegian energy actors have to strike a balance between their own and other energy market actors’ partly conflicting interests. The idea of linking the price of gas in new contracts to spot price and not to oil price is an example of what a compromise solution might look like.
- Norway should strengthen its energy cooperation with the EU as the most important current and future market for Norwegian energy commodities. Although not a member of the EU, Norway should help the EU develop a pan-European internal energy market to which most Norwegian gas and some electricity should have access.
- Norway should invest more in the development of economically viable CCS technology to be used to reduce the environmental footprint of its energy sector in close cooperation with other actors who face a similar challenge. Denmark, Germany and Poland are EU members with a high share of polluting hard coal and lignite in their energy mixes and should be viewed as natural partners for cooperation in the development of this type of technology, a process that should receive financial support from the EU, where solid fuels still represent almost 17% of gross inland consumption of energy. Development of such technology would be an important contribution to EU-led attempts to address the question of climate change on the global level.

## Recommendations for migration

Polish and Norwegian interests in the field of migration can be best described as complementary in the current situation, but possibly partly conflicting in the mid- and long-term perspectives. Norway needs labour migrants to keep the economic wheels going for now, but an end to the economic boom may cause seri-

ous tensions. For Poland, labour migration is part of the solution in the short-term perspective and can become a part of the problem in the long-term perspective if the best and the brightest were to leave permanently, leading to an unacceptable and permanent loss of human capital in a situation of dramatic demographic collapse. The recommendations given below are to address at least some of the most burning issues.

### Poland

- Poland should begin in-depth monitoring and analysis of migration processes in order to be able to define the main issues and objectives in the area. The next step should be the formulation of a strategy, along with implementation and evaluation tools. This would probably stop the problem of ad-hoc solutions and include a holistic approach to the issue of migration.
- In order to build the mechanisms of long-term thinking on migration, Poland should centralize more on national structures responsible for migration policy. The body responsible for migration and integration policy should be strengthened.
- In the short term, Poland should simplify migration procedures for foreigners and enhance the effectiveness of programmes aimed at Polish diasporas.

### Norway

- Norway should pay more attention to integration of migrants who have already arrived, and integration programs should be available not only to forced migrants, which is the case today, but also to at least some groups of labour migrants who express interest in more permanent settlement in Norway.
- Bearing in mind that most migrants coming over the last decade are labour migrants who have arrived due to good economic prospects in the country, Norway should strengthen its ability to react to the impact a possible worsening of the economic situation may have on the situation of this group of migrants. Norwegian authorities should work out some 'contingency plans' to be able to react and make the country's welfare system better prepared to meet such a future challenge without violating EU /EEA regulations, which is in line with the recommendations of the 2011 Brochmann report.
- Norway should strengthen cooperation with other countries with diasporas from conflict areas. The aim is to coordinate international efforts and to limit the negative effects that conflicts in these migrants' areas of origin may have on the situation of diasporas and security in host countries. Norway could initiate this type of cooperation in NATO, which has the issue of conflict management as one of its core tasks. This is a highly relevant question in light of the radicalizing effect the current conflict in Syria has had on some diasporas in Europe.







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