

SOYUZ POSTSOCIALIST STUDIES NETWORK

Bulgarians Take to the Streets



In the last two weeks, Bulgaria has seen tens of thousands of its citizens out on the streets. The sparks that lit the flame of dissent were inflated winter electricity bills, but the anger and frustration in Bulgaria has been growing for a long time. Electricity bills are a symptom. Crony capitalism is the disease.



"Salary = 270 leva, Heat = 300 leva, electricity = 220 leva, Water = 120 leva. How much longer???" Photo courtesy Kristen Ghodsee

Bulgaria has the lowest average wage in the European Union, at about \$500 a month. There is also a large elderly population. Most Bulgarian families are not only struggling to meet their own expenses, but are supporting parents whose pensions are miserably low. In the winter months, ordinary Bulgarians have often had to choose among heat, medicine and food since they were only able to afford two out of three. This winter, electricity bills alone exceeded the monthly amount of many pensions.

Yet if you go to the suburbs of Sofia, neighborhoods like Simeonovo, Bankya, and Dragalevtsi, you will see opulent mansions all built after 1989. When I was in Bulgaria in the summer of 2011, I saw a 1.5 million euro Bugatti Veyron with Sofia plates idling outside of a pizza joint. Where did all this money come from? Much of it came from the fire sale of Bulgarian state assets that began in the late 1990s.

Bulgarians believe that their political elites, together with unscrupulous foreign "investors," have spent the last 23 years dismantling Bulgaria's state socialist economy for the sole purpose of enriching themselves.

The last time Bulgaria saw protesters in the street like this was 1997 when the Bulgarian economy was in free fall after a period of devastating hyperinflation. There was a socialist government in power at the time, the heirs of the old, Bulgarian Communist Party. These socialists had been slow to privatize state-owned enterprises. Experts in the US and the European Union blamed Bulgaria's economic woes squarely on the government's refusal to embrace the shock therapy of rapid market liberalization.

Tens of thousands jangled their keys in front of parliament in 1997, mocking the sound of a tolling bell. The socialists were forced to resign and a new pro-Western, center-right government was swept into power. This government embarked on a hasty program of privatization that

promised to bring growth and prosperity to Bulgaria. Hopes were high.

I spent a lot of time in Bulgaria in the late 1990s. Thugs were everywhere. In almost every nice restaurant I visited, there were thick-necked former wrestlers with handguns shoved into the backs of their pants, bodyguards of the new superrich. Rapid economic liberalization created economic growth, but this wealth was concentrated in the hands of a new domestic pack of oligarchs. Western investors had no problem doing business with these robber barons, people who did not innovate or produce, but who bribed and stole their way to wealth. Government regulators were happy to sell off state assets at reduced prices as long as they were given their generous slice of the spoils.

Since 1997, Bulgarians have seen four different governments come and go. They have become members of NATO and joined the European Union. Yet nothing

has changed. Today, most blame the system. They ask: what was the point of breaking up a state-owned electricity monopoly if you are going to replace it with a foreign-owned electricity monopoly? A monopoly by any other name still stinks.



A 2011 protest against the utility monopolies in Sofia. Photo courtesy Kristen Ghodsee

Protestors have been calling for nationalization, hoping that their bills will go down if there are fewer middlemen passing the costs of their luxury sedans onto the end user.

Nationalization of electricity distribution will certainly fall afoul of the European Union and jeopardize Bulgaria's position within the Community. It will also hurt the prospects of future foreign investment.

Faced with continued protests and growing popular demands for nationalization, the Prime Minister, Boiko Borisov, hastily resigned and called for early elections. Although the Socialist Party has hinted at nationalization, Bulgarians are skeptical that any elected government will be able to stand up to the European Union and deflect the claims

that Bulgaria is heading back down a path toward totalitarianism.

Predictably, these calls for nationalization have been met with a chorus of condemnation by political and economic elites who fear that nationalization is the first step in a return to the gulag. Once again the specter of communism is used as a cover for the wholesale pillaging of consumers.

Even though the government has fallen, Bulgarians are still out in the streets calling for an end to all of the political parties tainted by corruption. The frustration is as much with the failed promise of democracy and free markets as it is with electricity bills. For more than two decades, Bulgarians have been told that things are on their way to getting better. They are tired of waiting.

Nobody wants a return to the gulag, but the knee-jerk fear of communism has become an excuse for a system in which all but a few rival clans of oligarchs and their entourages are worse off.

But if Bulgaria is truly a democracy, shouldn't citizens have a say in how their utilities are supplied? What is the point of democracy if the people have no power to affect the government policies that impact their lives?

The European Union should allow the Bulgarian people to decide their own future. If voters support nationalization of utility companies or demand other economic changes through the ballot box, these demands must be respected. Otherwise, people will continue to lose faith in the democratic process. Instead, they will make their demands, with raised fists, in the streets.

Kristen Ghodsee is contributing editor of the *Soyuz* column in *Anthropology News*.



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