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Which Way Will the Winds Blow? Post-Privatisation Water Struggles in Sofia, Bulgaria

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ABSTRACT: The collapse of the Soviet Union in the 1990s gave rise to widespread experimentation with neoliberal policy across much of the former Soviet sphere of influence. Nowhere was this more evident than in Bulgaria which has been a hotbed of neoliberal reform since the late 1990s, including the introduction of a water concession in Sofia in 1999. This paper critically examines efforts to remunicipalise water in the city. We argue that there is widespread support for water remunicipalisation but it is highly fractured along ideological and institutional lines. Bringing water services back in house is a real possibility but a progressive outcome is far from assured, with far-right nationalists keen to make water public for their own cronyist agenda and with neoliberal forces potentially demanding a commercialised public water utility. There is another more progressive possibility, but one that will require sensitive multi-stakeholder coalition-building (including with Romani communities) and longer-term cultural shifts in public service ethos. We conclude by arguing that progressive organisations in Sofia have no choice but to start mobilising now for the kind of public water operator they want to see when the private contract with Veolia ends in 2025.

KEYWORDS: Remunicipalisation, Veolia, post-socialist, post-neoliberal, Sofia, Bulgaria

INTRODUCTION

The collapse of the Soviet Union in the 1990s gave rise to widespread experimentation with neoliberal policy across much of the former Soviet sphere of influence. Bulgaria was a latecomer, but from the late 1990s it became a prime example of neoliberal reform, including the introduction of flat taxes (the only EU country to do so) and the privatisation of a wide swathe of firms and services. A water concession in Sofia was also introduced in 1999.

This paper looks at efforts to bring about the remunicipalisation of water in Sofia, starting with an escalation of these efforts by a series of high-profile protests in 2013. It is not a particularly encouraging story, with limited capacity for mobilisation and an ideologically problematic terrain upon which to build such a movement. It is, nonetheless, a fascinating narrative, with resonance for other post-Socialist states that experienced rapid privatisation, corruption and cronyism. Bulgaria has its unique features, but its experience sheds light on a more universal set of challenges for remunicipalisation efforts elsewhere in the region.

The article begins with an overview of the fieldwork methodologies employed, followed by a background on water provision in Sofia and how the current water contract with French multinational Veolia evolved. We then examine concerns that have been raised with the concession, previous efforts to remunicipalise and current debates and possible outcomes.

Our arguments, in sum, are that there is widespread support for water remunicipalisation (due in large part to disappointment with the private water operator) but this support is highly fractured along ideological and institutional lines, with little in the way of media attention. Bringing water services back in house is a real possibility (particularly after the contract comes to an end in 2025), but a progressive outcome is far from assured. Far-right nationalists are keen to make water public for their own xenophobic and cronyist agenda,¹ while neoliberal forces may demand a corporatised model of water delivery which could see the construction of an entrepreneurial water utility that is public in name but private in practice.

There is, however, a more progressive possibility which we explore towards the end of the paper: one that will require sensitive multi-stakeholder coalition building (including with Romani communities) and longer-term cultural shifts in public service ethos. It is a tall order, no doubt, but if the other alternatives are to be avoided – including continued privatisation – we argue here that progressive organisations in Sofia have no choice but to start mobilising now for the kind of public water operator they want to see in 2025.

We close the article with a brief overview of water services in Romani communities in Sofia, highlighting the urgency of water service needs in these neighbourhoods, as well as the long and sordid history of anti-Romani sentiment across a broad cross-section of Bulgarian society. Any remunicipalisation effort that does not include Romani people in a more expanded and inclusive form of public water cannot be but a partial victory.

METHODOLOGY

Interviews for this research were conducted in May 2018, combined with extensive reviews of secondary literature, including media reports, political party documentation, NGO and academic reports and a study of the concession contract itself (the parts that are publicly available). We interviewed 21 people in total, from what we feel is a representative sampling of the full spectrum of ideologies and organisational types related to debates over water services in the city, including unions, NGOs, community activists, elected officials, academics, consultants, journalists, community workers and a representative from the private water company itself (Veolia) (see Appendix for a complete list).

All the interviewees were senior in their organisations (e.g. directors, vice chairs). Some were supportive of privatization; some were opposed; some were in favour of remunicipalisation; others were not. The only people we were unable to speak with – despite extensive efforts in advance of and during the fieldwork – were representatives of the municipality acting as the liaison with Veolia, representatives from the ruling political party (GERB) and representatives from the national regulatory agency monitoring the contract. In each of these cases our requests were met with a sense of Cold War intrigue, with repeated requests for additional information from suspicious individuals that we were never able to satisfy. We also attempted to interview a representative of the World Bank office in Sofia, which was instrumental in mediating revisions to the contract with Veolia in 2010, but they refused to participate.

The people we did interview all readily agreed to be identified and quoted in this paper, despite the sensitivity of the topic and the controversy around it, which speaks to the strength of opinions we heard and, rather encouragingly, a relative comfort with openness in public discourse which has not always been the case in the country. The interview format was similar to that used in the other case studies in this issue (see the Introduction for more details), which asked people about their knowledge of water

¹ When in opposition the far right in Bulgaria was strongly critical of corruption, privatisation (including water) and private companies in general. Since in government (officially from 2017) far-right politicians have been strong advocates of the private sector and have been implicated in a number of corruption scandals. The latter include selling Bulgarian citizenship, openly lobbying for the illegal extension of a large ski resort, receiving cheap luxury apartments from big construction companies, forcing Bulgarian military personnel to use hotels owned by far-right politicians, etc. This shift reflects Paxton's (2004) influential distinction between fascists *in opposition* and fascists *in power*.

remunicipalisation in general, their familiarity with debates on the topic in Sofia in particular, their opinions on who is pushing for remunicipalisation (and why), who is opposed to it (and why), what they consider to be the biggest barriers/opportunities for water remunicipalisation in Sofia, and what they thought would be the likely outcomes.

SOFIA'S WATER IN HISTORICAL CONTEXT

Bulgaria is a relatively small, mountainous country of approximately seven million people located in south-eastern Europe, sandwiched between Greece, Turkey, Romania, Serbia, Macedonia and the Black Sea. It is predominantly ethnic Bulgarian, but there are important minority groups of Turks and Romani, with the latter often singled out for discrimination in relation to access to utilities, particularly water (a point we return to later in the paper). Iterations of the Bulgarian state date back to the 7th century, with long periods of interruption while part of the Byzantine and Ottoman empires. The country linked itself with the Central Powers in World War I, operated as a dictatorship between the wars and allied itself with the Nazis in World War II. It then fell under the Soviet sphere of influence in the post-war period and found itself on the front line of socialist experimentation for four decades.

Since the fall of the Berlin Wall in 1989 Bulgaria once again found itself at the coalface of change, this time with the eventual introduction of market reforms and privatisation. It is now a parliamentary democracy dominated by two centrist parties, with a plethora of smaller parties and a growing far-right nationalist movement (minus the violent behaviour of some of their contemporaries in the region). The country is a steadfast member of the European Union (and NATO) but is very much on the economic fringe of Europe, with the highest rates of poverty and inequality and the lowest rates of social spending in the EU due in part to a "lack of progressivity in the tax system" (Eurostat, 2018a; Eurostat, 2018b; EC, 2018).²

Sofia is the capital of Bulgaria and its largest city, with 1.26m people living in the city proper and approximately 1.7m in the greater metropolitan area. There has been human settlement in this location for thousands of years but it is only since the socialist era that Sofia became a major urban centre, with the bulk of its buildings and infrastructure having been built since the 1950s. Large swaths of socialist-era apartment blocks mix with postmodern condominiums and glass towers, with a smattering of 19th century religious and state buildings. The economy is a blend of light manufacturing and services, with Sofia being ranked as one of the top 10 cities in the world to launch a start-up because of the low (and flat) corporate tax of 10% and high internet speeds (Guttman, 2015). Sofia has the lowest monthly average earnings of any EU capital city and one of the lowest costs of living in Europe (NSI, n.d.). It is considered a safe place to live, although rising inequities and on-going xenophobia simmer below the surface (Bulgarian Helsinki Committee, 2017).

The first public water services in Sofia date from 1884, six years after the modern Bulgarian state was founded and the city declared its capital. At that time the nearby Vitosha Mountain supplied Sofia's 40,000 inhabitants with water. Massive expansions to water infrastructure were completed after WWII, when the city's population rose drastically, and by the 1950s all of the city's current major water service systems were in place, including key dams, such as Beli Iskar (finished in 1945) and Iskar (finished in 1954), the largest artificial lake in the country. Wastewater treatment plants were added during the socialist era, although the system never kept up with population growth. Approximately 20% of the city's population still do not have access to sanitation services (despite everyone being charged for them, as water prices also include sanitation).

Water services were publicly owned during the pre-socialist and socialist periods in Bulgaria, funded and managed by the central state, with a national consumer price to compensate for geographical and

² There is 10% flat income and corporate tax, no tax deduction on minimum income and no reduction in VAT for basic necessities like food and medicine.

infrastructural discrepancies. Only Sofia's water was (relatively) autonomous and governed at the municipal level by its own public company (*ViK Sofia*), which is still in existence today. Overall, there was a strong continuation between the pre-socialist and socialist municipal governance of water services despite severe political turmoil made evident by the case of the water engineer Ivan Ivanov, who was mayor of Sofia from 1934 to 1944. When the Communist Party took power Ivanov was initially repressed and imprisoned for being part of the pro-German elite, but due to his widely respected expertise in water engineering he was rehabilitated and appointed chief engineer of the Iskar dam (BNR, 2017).

The water supply network has 99% coverage nationwide, but the sewerage network is much less extensive, with only 66% of the population connected. Infrastructure has an average age of only 35 years, but a lack of maintenance and investment leads to huge unaccounted-for water losses – about 60% nationally and similar in Sofia. It is generally agreed that massive investments are required to improve and update infrastructure: 12.2bn Bulgarian lev (BGN) nationally and 2bn BGN for Sofia alone (Ministry of Regional Development, 2013; Mediapool, 2017).³

POST-1989 PRIVATISATION

Bulgaria initiated a shift towards a market economy in 1989. As with other Eastern European countries this involved shock therapy, with radical liberalisation and a strong push towards privatisation, all with the support of the IMF and World Bank (Grigorova, 2016). It is important to note, however, that unlike other post-socialist states (e.g. Balcerowicz's reforms in Poland) radical neoliberal reforms did not take place before 1997 (Ganev, 2013). After a harsh bank and hyperinflation crisis the anti-Communist Union of Democratic Forces transformed from a fractured movement to a single party (United Democratic Forces [UDF]) that spoke with a single voice in support of privatisation and economic liberalisation, and which managed to form a government from 1997 to 2001.

The finance and industrial sectors were largely privatised in the 1990s, followed by a move towards public-private partnerships (PPPs) and concessions of utilities in the early 2000s. There were 5278 privatisation deals in the country between 1993 and 2016, plus an additional 726 concessions, 86% of which were for services (from running beaches to managing dams) (PPCA, n.d.; Council of Ministers, 2018: 12-13; 18).

Notably, there is only one concession for water and sanitation services in Bulgaria, that of *Sofiyska voda* (Sofia Water). This is not for lack of trying on the part of pro-privatisers, however. The two dominant political parties of the 1990s were both in favour of privatisation at the time, with the centre-left Bulgarian Socialist Party (BSP) preferring 'gradual' reforms while their anti-communist counterparts from UDF called for 'radical' and 'unpopular measures'. Early attempts to sign concession contracts for water services in the cities of Sofia, Varna and Shumen failed due to resistance from civil society and local municipal authorities, but a severe economic crisis in 1996 toppled the BSP and laid the ground for a UDF government, which pushed harder for privatisation as well as stricter austerity measures and welfare cuts (Grigorova, 2018).⁴

In 1999 International Water, a consortium of British United Utilities and the American Bechtel Corp, was awarded a concession contract to manage Sofia's water and sanitation network for 25 years (ending in 2025), with 77.1% of the newly established *Sofiyska Voda* placed in the hands of International Water and the rest remaining with the municipal company *ViK Sofia*. Soon after, Bechtel sold its share to United Utilities, who in turn sold it to the French multinational Veolia in 2010. An initial €31m loan from the European Bank for Reconstruction and Development (EBRD) sweetened the deal.⁵ The old *ViK Sofia*

³ 1BGN = US\$0.58 in October 2018.

⁴ For an English language review of the report see Tsoneva, 2018.

⁵ EBRD has often been criticised for supporting problematic public-private partnerships in Eastern Europe (Bankwatch n.d.).

became an empty shell, however, with no real management or logistical capacity and virtually no say in the running of *Sofiyska voda* (as we shall see below) (Manolova, 2018).

The signing of the contract was controversial because it was seen to have been ideologically driven, without a thorough advance analysis of its pros and cons and virtually no public debate (Tsvetkov, interview). Similar concerns were raised when United Utilities sold *Sofiyska voda* to Veolia (along with two other water companies they owned in Eastern Europe), with little public engagement, followed by a series of contract renegotiations conducted behind closed doors. It was not until 2013, after years of citizen pressure, that the contract was made available to the public, and even now there are concerns that not all the information has been released (AIP, 2009; T. Ilieva, interview).

Nevertheless, the concession was supported by all major political parties at the time it was signed, often being defended as a necessary evil to secure fiscal discipline and generate the financial resources needed to update and expand water services in Sofia. The BSP has oscillated between criticism and support since then, depending on whether they are in power or not, but the centre-right party that replaced the UDF in the late 2000s – GERB, which has run the country for most of the last 10 years – has taken a more direct pro-privatisation position. Some GERB ministers advocate for more PPPs in the water sector elsewhere in the country, although this is done cautiously due to general discontent with the Sofia contract (Dnevnik, 2010).

CONCERNS WITH THE SOFIA CONCESSION

Complaints about the water concession in Sofia have been widely reported in the Bulgarian press and appear to be broadly held amongst residents of the city. Although no official polling has been done on the matter there is evidence of widespread distrust of privatisation in Bulgaria in general (Medarov and Tsoneva, 2015). Post-1989 privatisation is so unpopular that even GERB's PM called it "criminal" and alleged that "over 30 billion BGN had been stolen during privatisation in Bulgaria" (Capital, 2017). However, such statements are not directed against the principle of privatisation but its corrupt distortions. There was unanimous agreement amongst our interviewees that most Sofians are unhappy with *Sofiyska voda*, including those who support the concession model in principle.

We outline the concerns that were raised here to illustrate how they have contributed to demands for remunicipalisation. Unsurprisingly, these apprehensions echo complaints about water PPPs in other parts of the world, including price increases without service improvements, accusations of corruption, a lack of transparency, violations of contractual obligations, abuse of monopoly power, creative accounting and the exportation of profits abroad.

Price increases without improvement

One of the foundational arguments for creating PPPs in the water sector is that the private sector would reduce prices (through improved efficiencies) and invest more heavily in infrastructure (because they have more capital than the state and are contractually bound to extend and improve services) (Bayliss, 2002; Bakker, 2010). This was the expectation in Sofia, with the initial concession contract stipulating that the concessionaire was to decrease unaccounted-for water losses from 60% to 30% within the first five years and down to 16% by the end of the contract in 2025, while maintaining an average price of 0.435 BGN/m³ for the entire concession period (T. Ilieva, interview). In reality the exact opposite occurred.

When Veolia took over the concession in 2010 water losses had not changed substantially (Dnevnik, 2016). There were improvements since that time but by 2017 leakages still amounted to 49% (*Sofiyska voda*, 2017a: 5). Prices, meanwhile, rose from 0.435 BGN/m³ in 2000 to 2.35 BGN/m³ in 2018, an increase

of 440%,⁶ much higher than price increases in other parts of the country (EWRC, n.d.). Part of the problem here is the contract itself, which allows for a 17% return on capital, considerably higher than returns realised by public water companies in Bulgaria. A better benchmark, as several of our interviewees pointed out, would have been 'return on investment', which would have helped to ensure adequate outlay on infrastructure. The fact that profits arising from these practices are flowing overseas to parent companies was particularly irksome to several interviewees, a point that we return to later in the paper as it relates to the nationalist/xenophobic arguments sometimes employed in favour of remunicipalisation.

Many of our interviewees also noted that efforts to challenge price increases become bogged down in a cumbersome legal process. One recent effort by a citizen group to reduce a proposed price increase from 10% to 9% took 18 months just to get a court hearing, and the fear is that if Veolia loses a case they simply challenge it in a higher court and delay the decision even further (Tsvetkov, interview). Such examples do not bode well for more serious challenges to Veolia's business model.

The independent auditor Omonit, set up to monitor *Sofiyska voda*, also identified numerous breaches of contract around investments and customer billing, with significant costs unrelated to the company's operation being recorded as "investments" (including personal luxury spending) while "consultancy fees" were paid without clarity over what they were actually spent on (Velinova, 2002; Nikolov, 2006). Remuneration for senior management was also deemed excessive, with the executive director receiving 68,000 BGN per month – a scandalous figure for Bulgaria at a time when the average monthly salary was a mere 600 BGN (Cholashka, 2005).

Fraud and corruption

More direct forms of fraud were also recorded. Omonit's director in the mid-2000s, Dimiter Dinev, received anonymous whistleblower copies of internal communication and other documents related to *Sofiyska voda* management. They identified serious misconduct, including the overbilling of customers, sending money illegally to the parent company in the UK, fake contracts, fake invoices and other instances of "accounting gymnastics". As Dinev wrote at the time, these schemes included "high level accomplices", including from the municipal political elite (Dinev, 2007: 591; NARB, 2008). Notably, Dinev is generally in favour of privatisation, but, as he noted in our interview with him, "not when it is done this way". Shortly after this incident Dinev was removed from his role as Director of Omonit, and the regulation of Sofia Water was shifted towards the national regulator.

Toothless state actors

Since then many Sofians have come to see the regulator as a "puppet of the state" (as several of our interviewees put it) or having been taken over by corporate lobbyists (OSI, 2009). One grassroots activist we spoke with argued that it is impossible for citizens to meaningfully engage in 'open' debates organised by the regulator because of the lack of information provided (T. Ilieva, interview), a point reinforced by an Open Society Bulgaria study (OSI, 2009). Some interviewees even suggested that the regulator is bribed by Veolia to stay silent. But even with the best of intentions there are only 10 staff at the regulator to monitor 160 water operators in the country, which prompted Dinev to argue in his interview that it is impossible to keep a proper eye on the Sofia concession.

The municipally owned minority shareholder *ViK Sofia* occupies a similarly meaningless position with regards to decision-making. As BSP municipal councillor Boris Tsvetkov said during our interview, the municipal representatives sitting on the board of *Sofiyska voda* always vote in favour of Veolia, but they

⁶ There was no contractual stipulation that the average price of 0.435BGN/m³ be adjusted for inflation. In addition, inflation rates have remained relatively low as the Bulgarian lev has been linked to the German mark and subsequently the Euro in a currency board since 1997.

never share the information they have with the public or the municipality. This point is reinforced by the fact that municipal representatives of the state regulator and *ViK Sofia* refused to be interviewed for this study.

Mass protests and an abortive referendum

By late 2011 growing discontent with the water operator led to calls by the BSP and the far-right VMRO party for a referendum on the concession, with the latter arguing that *Sofiyska voda* operated "an enrichment scheme" and did not comply with contract terms (Kolchakova, 2011). In mid-2012 VMRO began collecting signatures in a campaign called *Water in Public Hands* and, together with the BSP and others, collected 60,000 signatures in three months.

The ruling party (GERB) tried to block the initiative, but the BSP and VMRO went to court and forced the issue, with a referendum scheduled for 2013. At this point the City Council revealed that a secret amendment had been added to the contract in 2008 (signed by then-mayor and current GERB prime minister Boyko Borissov) (*Sofiyska voda*, n.d.1), which they claimed would incur massive fines if the contract was terminated early (*Sofiyska voda* n.d.2). This scare tactic was speculative but had the anticipated chill effect on municipal politicians, and the referendum never took place.

The cancellation of the referendum, however, gave added impetus to a nationwide protest movement in February 2013, with thousands marching for direct democratic control over private utility companies, provoked largely by desperately high electricity bills (consumer electricity prices rose by almost 10% from 2012 to 2013 [Eurostat, n.d.]). So dire was the situation that several protestors set themselves on fire, some being lethal. At least three people self-immolated in February 2013 as part of the protests against privatised utilities (part of a larger trend in this regard, with some 30 'successful' cases and seven persons who were saved from death, between 2013 and 2015).⁷

In June of that year, following the election of a BSP-led coalition government, another, much more persistent, mass protest began, this time focused in Sofia. However, GERB was soon re-elected in a coalition with the far right and the protest movements fizzled out, leading to widespread disenchantment with the notion that democratic citizens' movements could change anything.

PREPARING FOR 2025

Where, then, do demands for water remunicipalisation in Sofia stand today? On the surface they appear to have faded away, with only occasional small protests around price hikes and almost complete silence from the media. And yet, below the surface tensions continue to simmer, with a remarkably diverse set of groups still pushing for the possibility of remunicipalisation.

There is no consensus as to when and why water should be remunicipalised, however, and even less agreement on what a reclaimed public water operator might look like. In fact, there was little in the way of concrete thinking from our interviewees about how to (re)build public water and very little awareness of international experience in this regard. None of the individuals or groups we spoke with had done any networking with organisations working on remunicipalisation elsewhere in Europe (despite dozens of examples, in France in particular, many of which involved Veolia [Becker et al., 2015; Hall et al., 2010; Pigeon et al., 2012; Kishimoto and Petitjean, 2017]). Some interviewees, including one of the most prominent anti-privatisation activists in the city, had not heard of remunicipalisation at all (even when the process was explained in lay terms). Ironically, it was interviewees most in favour of PPPs that were also most informed about remunicipalisation, including the representative we spoke with from Veolia.

⁷ For detailed analysis of the recent Bulgarian protest movements, including the self-immolations, see Tsoneva (2017) and Stoyanova (2018).

Nonetheless, it became clear in the course of our research that the potential for remunicipalisation in Sofia is arguably stronger now than it has ever been. It is unlikely to happen before the current contract ends in 2025 due to widely held concerns over the aforementioned cancellation annex, which could result in massive fines for early termination, but there was considerable appetite for a remunicipalisation campaign that would commit the city to bringing water services back in-house once the contract ends.

There are several reasons for this optimism. First, Sofians remain widely dissatisfied with water services in the city, and general discontent with privatisation in the country persists. Second, there are few people willing to publicly defend the concession because privatisation is so unpopular. There are a handful of prominent supporters of Veolia – including economist Vladimir Karolev who has argued that "the choice between real alternatives [in the water sector] and the imaginary impossible perfect alternative is often exploited by populist politicians, who love to present a utopian scenario where no one pays (or pays miniscule prices) but everyone enjoys" (Karolev, 2013) – but for the most part it is considered too risky to speak openly in favour of *Sofiyska Voda*. Most supporters from the two main centrist parties give tacit support, while the private sector is generally satisfied but does not engage in the debate publicly (Manolova, interview).

Third, there appears to be a general consensus amongst Sofians that socialist-era (public) water provision was better and more affordable than it is today. In reality it was far from perfect – and Romani communities in particular were often marginalised – but there is a sense that water is an essential good that could easily be moved to public control (which at this point is not entirely true given how the municipal water entity has been stripped of managerial and financial resources). As a result, proponents of remunicipalisation see this as an opportune time to rally citizens behind a campaign for a service that most people intuitively see as a public responsibility, while acting as a segue to possible remunicipalisations in other sectors of the economy, such as electricity, transportation and waste management, where there is also deep discontent with privatisation.

FOUR POSSIBLE OUTCOMES

Despite this optimism there is no guarantee that *Sofiyska Voda* will be remunicipalised, and even if it is there are some decidedly unprogressive possible outcomes. This section of the paper outlines four conceivable scenarios: one which sees water remain in private hands and three that see it coming back under public control, two of which we argue are deeply problematic ('crony nationalism' and 'corporatisation'). The potential for a more progressive social-democratic style of remunicipalisation exists, but it faces enormous obstacles and will require careful strategic planning and a multi-stakeholder campaign combining a variety of different ideological impulses.

Staying private

There are several reasons why *Sofiyska Voda* might remain in private hands after 2025, given the current circumstances. First, inaction on the part of the government would trigger an extension of the contract by 10 years without a tender, something that Veolia has stated it would seek (Manolova, 2018). Given that most politicians (particularly from the ruling party) are quietly supportive of the concession but afraid to say so in public, inaction might be the path of least resistance. As one interviewee noted: "GERB could just say that [extending the contract] was unavoidable and present it as a *fait accompli*".

Second, the lack of a vigorous remunicipalisation movement may embolden pro-privatisation advocates in government, who may use the opportunity to tighten up contract demands and issue a new tender for private sector proposals, paying lip service to public criticisms while maintaining the general status quo. Some interviewees worried that a successful renewal of the Sofia concession could also result in an expansion of the concession model elsewhere in the country.

The fact that the Sofia municipality is currently dominated by members of the national ruling party is another reason that water may stay private. Only seven out of 61 municipal councillors are openly in favour of remunicipalisation, according to BSP Councillor Boris Tsvetkov (interview), and it is not clear that the BSP would be in favour of remunicipalisation even if they were to get back in power nationally or municipally. As Tsvetkov noted, it is easy for remunicipalisation to be twisted by the right wing and neoliberals as "going back to communism", which, despite some of the socialist-era nostalgia around water and other essential services in Sofia, is still widely regarded as political suicide. Without another surge in popular protest it is difficult to see where the voting majority for remunicipalisation would come from in the municipality.

It would also appear that Veolia is on a charm offensive, perhaps because they have lost contracts to remunicipalisation elsewhere. Our interview with a senior Veolia representative confirmed this sensitivity, demonstrating a clear desire to improve their public image, while at the same time being dismissive of their critics:

We inherited a concession in 2010 that had a lot of negative public opinion. We hadn't realised how bad the situation was when we took it on, but we decided we wanted to change the mindset of people, to show them that 'concession' is not a dirty word (...) We worked with the municipality [with the assistance of the World Bank] last year to make some reforms to the concession agreement and we are happy with these changes. (...) We plan to invest 38m BGN each year from 2018-2025.⁸ We are investing even if we don't get our return. We want to be a trusted partner. For example, we are doing many social projects in Sofia, such as working with Romani NGOs to educate Romani children about water so they can educate their parents, and we are sponsoring social initiatives with schools. This is part of our corporate social responsibility commitment.

Several interviewees also noted that the French ambassador has regularly intervened with the Bulgarian government when Veolia has been under threat: "EU ambassadors act like colonialists, defending their private companies, calling on the Bulgarian government when they are unhappy with things" (Parvanov, interview). Another interviewee reinforced this point, noting that "Veolia is a very political company, more so than United Utilities" (Simidchiev, interview). What is clear is that Veolia sees Bulgaria as a viable market for investment, widening its water work to include industry and broadening its sectoral engagement. As the Veolia representative noted: "We consider Bulgaria a good place to work in and are involved in other sectors. Whether we stay as the concessionaire in Sofia water after 2025 depends on conditions at that time".

Another reason to conclude that *Sofiyska voda* might remain in private hands is the media. Although they have reported on anti-privatisation protests in the past, there is a general sense that the Bulgarian media is in favour of privatisation. According to most of our interviewees, neoliberal and conservative pundits get the 'lion's share' of media coverage and are seen as 'experts'. There is an alternative press (e.g. Baricada.org), but their readership is relatively small.

Several interviewees also suggested that the mainstream Bulgarian media is afraid to be critical of Veolia because they buy so much advertising. One journalist we spoke with recounted efforts to cover the 2013 protests against the water concession when he was told by his editor to drop the topic because his company did not want to lose Veolia's business (Nikolay Draganov, then working for www.news.bg). However, another journalist, working for a major business media outlet, claims she is free to cover the topic in any way she wants (Manolova, interview). Either way, media coverage (or the lack thereof) is likely to play a critical role in any future decision-making on the concession.

Finally, there is a concern with protest fatigue. People are "tired and apathetic", we heard time and again. Sofians do not appear to like service privatisations but no longer want to fight it: "It used to be that everyone was opposed to water privatisation in Sofia, but now people are just tired of complaining"

⁸ The Greens representative we interviewed claimed that more than 2.5bn BGN were needed in Sofia's water system.

(Ivanov, interview). Others argued that water is not expensive enough to animate people, unlike electricity, where Bulgaria "ranks among the countries with the highest incidence of energy poverty in Europe", with low-income households spending up to 40% of their monthly income on energy (Medarov and Tsoneva, 2015). One particularly cynical interviewee felt that it is "easier to leave Bulgaria than it is to fight". Even if the energy to resist still exists those wanting to end the concession are over-stretched and under-resourced. *Sofiyska voda* is just one of hundreds of privatisations in the country and there are a myriad of other pressing issues to be fought over in Sofia: regressive taxes, the rise of far-right parties, injustices to Romani people, etc.

In the end many of our interviewees stated that the choice between public and private water will depend on "how the wind is blowing" closer to the contract's termination date. If protests are strong, if service standards are poor or if there is a larger crisis related to privatisation, there is a chance that *Sofiyska voda* could be brought back in house in 2025. We now look at these 'public' possibilities.

Public option 1 – Crony nationalism

There is nothing inherently progressive about 'public water' or remunicipalisation. There are, for example, numerous cases around the world of services being made public by authoritarian regimes for nefarious purposes. We have labelled these forms of remunicipalisation elsewhere as 'autocratic', to denote instances where the reversal of privatisation is undertaken by relatively undemocratic, but market-oriented, governments as part of a larger shift back towards state control of strategic sectors in a capitalist economy (McDonald, 2018). In such cases the remunicipalisation of water is driven as much by political and social objectives as economic ones, ranging from attempts to enhance national sovereignty to regulating ethnic minorities. One example is Hungary, where the conservative nationalist government of Viktor Orbán introduced a top-down form of remunicipalisation in 2010, arguing that private service providers were overcharging citizens. The Hungarian economy as a whole remains market oriented, but remunicipalised public services have become 'extremely centralised' for the 'national interest', with little in the way of local democratic control. Central government plays "a very active role in determining the economic framework for public utility service provision", including a "central tax levied on public utility networks" (Horváth, 2016: 193, 198). There are also concerns that services may be re-privatised to Orbán's associates.

The potential for such autocratic control and clientelism exists with *Sofiyska voda* as well. With revenues of 170m BGN per year (*Sofiyska voda*, 2017b) several interviewees noted that both major political parties see advantages in having control over a critical resource in the capital city and could use the completion of the Veolia contract as a reason to pull water services back in house with little in the way of democratic accountability or transparency, all in the name of 'national interest'. GERB is considered to be the more right wing of the two centrist parties, but the BSP has deep-seated conservative tendencies as well, as indicated in their 2018 strategy document entitled Vision for Bulgaria in which they criticise neoliberalism and globalisation, support national capital and praise Victor Orbán. The party also challenges the so-called Istanbul Convention (CoE, n.d.), which aims to counter violence against women, claiming that it spreads 'gender ideology' and threatens to turn little boys into girls and vice versa.⁹

The potential for such a conservative turn is indicated by an essentialist discourse on the cultural importance of water to Bulgarian identity, and the associated need for Bulgarians (as opposed to 'foreigners') to manage it. Several of our right-wing interviewees commented on the unique, mountainous characteristics of Bulgaria's water and the importance it plays in preserving the country's cultural identity and physiological vitality. The fact that non-Bulgarians are managing the water system irked them. All three far-right political parties have commented on this, with Angel Dzhambazki, a

⁹ For the debate in Bulgaria see Squire (2018).

Bulgarian member of the European Parliament and vice-chairman of the VMRO party, being one of the most vocal critics of Veolia (Cheresheva, 2017). In our interview he noted that VMRO "are in favour of public water because water is important and good for the people. We are pushing for this". He provided no details on what a public operator might look like, however, or how a public system would address massive service inequalities in the city.

GERB has avoided such openly nationalist rhetoric to date, but several interviewees felt that the party could easily swing in this direction if they thought popular opinion was shifting, if they felt threatened by the far right or if they needed far-right parties to form a coalition government. There was also concern that GERB could use a remunicipalised public water operator for clientelistic politics, possibly to re-privatise or outsource to friends and collaborators in the future.

This is arguably the worst possible outcome for Sofia's water services – even worse than a renewed private contract, which, many interviewees noted, would at least be amenable to public scrutiny, particularly if a foreign company was engaged. A nationalist public outcome could have the effect of damaging perceptions of democratic forms of public services more generally, dampening efforts to renationalise and remunicipalise other sectors of the economy. It would certainly be very problematic for Romani communities, which many on the right blame for Sofia's water service problems.

Public option 2 – Corporatisation

A second possible public outcome is that of 'corporatisation', by which we mean the creation of a publicly owned and managed water utility functioning at arm's length from the state as a separate legal entity. Corporatisation has been widely practised in Western Europe and is arguably the most dominant form of public water in the world today due in part to the influence of neoliberal policy contributing to the creation of semi-autonomous public water corporations with market-friendly management cultures and ideologies (Hood, 1991; Moynihan, 2006; Osborne and Gaebler, 1992).

The rationale for creating this form of public entity is to maintain a market-friendly water operator while removing the political backlash of privatisation. Remunicipalised water services driven by this logic can be characterised as quasi-commercial entities, focusing on market-based performance indicators, a "preference for more specialised, 'lean', 'flat' and autonomous organisational forms", and a "widespread substitution of contract or contract-like relationships for hierarchical relationships" (Pollitt and Bouckaert, 2011: 474). They may be public in name, but these highly marketised forms of remunicipalisation can serve to deepen, not weaken, the commercialisation of water, while at the same time attacking the perceived failures of privatisation and socialism (McDonald, 2016).

An example of corporatised remunicipalisation is that of Dar es Salaam, in Tanzania. After a brief and disastrous experience with a private concession in 2003 the World Bank reversed its policy recommendations to the Tanzanian government, promoting the creation of a new public water operator in 2005. The Dar es Salaam Water and Sewerage Corporation has since managed to extend coverage and improve some aspects of service delivery – "proving that public water services can be managed well by the state, and can outperform the private sector in many ways" – but the newly corporatised entity has become much more market oriented than before, enforcing cost recovery on the poor and "failing to meet its obligations in the lowest income areas of the city" (Pigeon, 2012: 41).

It is important to note that none of Bulgaria's public water operators are currently corporatised, and there is no public pressure to do so. However, corporatisation has been widely used in other service sectors in the country, notably in public hospitals where liberalisation reforms from the 1990s forced them to register as commercial companies and balance their budgets. Many of these hospitals went into debt and then went bankrupt (Subev, 2018). Similar dynamics are operating in state-run schools, which must compete with each other for funding based on the number of students they have, using a voucher system. This reform was introduced in 2007 with the explicit goal of forcing head teachers to act like business managers, reducing state schools to "educational service providers" (Parvanova et al., 2013). In

both cases the rationale was to introduce financial autonomy to impose a culture of prudent fiscal management. Although not formalised in the water sector, similar dynamics are unfolding there as well, with some public water operators, pressed by financial restraints, cutting water access to indebted households, as in the case of Boytchinovski, a poor village in the north-west of Bulgaria, where unemployment is over 35%.

None of the interviewees we spoke with made direct reference to corporatisation as an option for public water in Sofia but several hinted at its potential. For example, Ivan Velkov (a senior member of a political party called The Greens who is also vice chairman of the Sofia City Council and a local entrepreneur) argued that, "I am aware of the need to get professional people to do things. It's not ownership that matters but management (...) We need to develop new protocols for doing things differently [with our public services]". Several others made reference to the advantage of arm's-length forms of public management.

How likely is this model to be adopted? Again, it will likely depend on which way the political winds are blowing in the lead up to 2025. As Bulgaria integrates further into the EU system it will be increasingly affected by European practices in general and new EU directives on water concessions in particular (PSI, 2013; EUR-Lex, 2014: art. 12). The latter have made it easier to provide water services publicly, and it may be deemed politically and economically expedient to access EU funds to rebuild a public water system that mimics the corporatisation that is dominant elsewhere in Europe. The fact that government would likely also be forced to recruit local managers from Veolia to rebuild public sector capacity would only serve to heighten the prospect of a business-minded culture.

If such a model were to be adopted in Sofia, it is likely that the city would see a continuation of service inequalities, particularly in Romani communities where water cut-offs and substandard services are rampant. Equally important could be the loss of an opportunity to democratise the city's water services. Corporatised water, with its separate legal status and relative autonomy from the state, can be less transparent and less accountable than water services run directly by elected officials (McDonald, 2014). Corporatisation could also serve to deepen the commodification of water in Sofia, with cost recovery and pricing being seen as the most effective tools for managing water usage by shaping people's understanding of its underlying 'exchange value'.

Public option 3 – Social democratic reforms

A third possibility for remunicipalisation in Sofia is one that can be broadly defined as 'social democratic' (McDonald, 2018). This is the most common (and most celebrated) of the remunicipalisations that have been taking place in Western Europe (Kishimoto and Petitjean, 2017). In general, these cases of remunicipalisation entail more extensive and more robust state intervention than the corporatised forms of remunicipalisation outlined above, with the explicit aim of promoting social and economic justice. Cost-reflexive pricing and other market-management tools continue to be employed in some aspects of water management, but they are typically combined with a commitment to challenging the hyper-commodification of privatisation and advancing values of water beyond its marginal cost. There also tends to be a stronger commitment to equity via cross-subsidisation, and ensuring better access to water services across a range of social, spatial and economic divides. Another typical feature is a commitment to better integration of water services with other public agencies, financially and administratively, in contradistinction to the strong ring-fencing of water services in commercialised forms of corporatisation. The result can be improved horizontal communication between water providers and other government departments, and a less strident emphasis on unit-based financial performance. There can also be a mandate to see access to water services as a human right (e.g. Cities for Public Water, 2016; Lime, 2015; Sinaï, 2014; Petitjean, 2015; APE, 2008; Spronk et al., 2014).

Admittedly, this is the least likely scenario in Sofia at this point in time. There was no direct reference to such a social democratic public model amongst the people we spoke with and no awareness of such

developments elsewhere. When prompted with examples most of our interviewees were excited by the possibility but sceptical that it could ever happen in Bulgaria: "This is a fairy tale we can only dream of", said one. "There is too much corruption in Sofia for this to take place", said another. "We don't have the capacity to make that work", was yet another response.

Unlike grassroots mobilisations that have begun to transform the structures and ethos of public services in many municipalities in France, Spain and Germany, a social democratic transformation of public water in Sofia does not have the same immediate organic potential. But given the alternatives outlined above we want to argue here that it is an unavoidable challenge for those working towards progressive public water in the country. There are important changes that could be made relatively easily in the short to medium term – particularly if campaigns for reform after 2025 start now, but a deep transformation of social democratic public service norms in Sofia will need to be seen as a generational project. The next section lays out how this might be done.

TOWARDS A PROGRESSIVE PUBLIC WATER OPERATOR IN SOFIA

One of the most important steps towards building a progressive public water operator in Sofia is the creation of a broad coalition of interest groups working towards it. Some of this coalition building began during the 2013 protests, and there are similar coalitions working on other issues in the city, but water will be particularly challenging because of the broad range of groups working on the issue, from left-wing unions to far-right political parties and everything in between.

Perhaps the biggest challenge is what to do with far-right nationalists. All of the interviewees we spoke with are loathe to work with these parties formally (and when asked if his party would "work with the left" on this issue VRMO leader Dzhabazki gave an emphatic "No way!"). Yet several interviewees noted that it is possible to work with the grassroots members of far-right organisations, many of whom do not carry the same vitriolic rhetoric as their leaders.

It will also be challenging to get NGOs to commit to a strong advocacy position on the matter of remunicipalisation, with many seeing themselves as neutral knowledge brokers. Activist groups, meanwhile, appear to be ideologically scattered on the topic, with little in the way of consistent positioning on how, why or when remunicipalisation should take place.

Another challenge will be partnering with front-line water service workers and staff. One of the two union confederations in Bulgaria (Podkrepa), where many water workers in the country are represented, is in favour of remunicipalisation, but it is not clear where workers themselves stand. Podkrepa conducted an informal survey in 2016, in which 90% of the front-line water workers they represent claimed to be in favour of public water, but this survey did not include workers at *Sofiyska voda* (because Veolia did not allow them access) (Partenyotis, interview). For its part, Veolia insists that its workers are happy and claims they are paid 50-60% more than those employed in the public sector (Filipov, interview). Another interviewee (who has worked with Veolia in the past) backs up this claim, arguing that "workers at *Sofiyska voda* do not want to go back to the municipality" (Simidchiev, interview), although the Veolia representative also admitted that "you never know, frankly speaking". What is known is that layoffs at Sofia Water have been accompanied by the rehiring of workers via subcontracted service suppliers, where there is virtually no unionisation and thus workers' rights are less protected.¹⁰ It is unclear what these workers would think of potential remunicipalisation.

As a result, there is no guarantee that water workers or their unions would support remunicipalisation. Experience elsewhere is also mixed in this regard, with unionised workers in other jurisdictions having

¹⁰ For example, there are no employees of the subcontracting companies for *Sofiyska voda* who are members of the two existing water workers' union federations, part of the two confederations respectively – CITUB and Podkrepa, as their websites show. At the same time there is an operational sectoral collective agreement for water workers in unionised companies; thus workers in subcontracted companies are excluded from it.

both supported and opposed remunicipalisation efforts. For example, on-going remunicipalisation struggles in Barcelona are meeting stiff resistance from unions that are nervous about leaving Agbar (a Veolia subsidiary) (see March et al., in this issue). Unions in Uruguay, by contrast, were at the forefront of pushing that country to renationalise its water services and even introducing a constitutional amendment making water privatisation illegal (Spronk et al., 2014). A better understanding of where workers in *Sofijska voda* stand on the matter will be critical to any future alliance-building strategy.

Another important piece of coalition building is inter-municipal cooperation within Bulgaria. Except for Sofia, all water services in the country are public, and although they are far from perfect, with many lacking the kind of transparency and participatory engagement that progressive public water advocates demand, they are nevertheless a powerful voice and could provide technical and managerial support for transition to a public water system in Sofia (as has been done with inter-municipal cooperation on remunicipalisation in other parts of Europe [see, for example, the website of Aqua Publica Europea]). There is a National Water Association that engages in country-wide debates on water policy, and which has pushed back on proposals to expand private sector involvement in water services elsewhere in the country, but has yet to involve itself in the question of remunicipalisation in Sofia.

Finally, there is the need for better international networking. There is a large and growing international movement on water remunicipalisation, including public water associations, unions, NGOs, academics and community organisations, all of which can (and have) provided cross-border support for remunicipalisation efforts (Kishimoto and Petitjean, 2017). Some public water agencies in Europe even have staff dedicated to assisting other municipalities (e.g. Eau de Paris, Aqua Publica Europea). In other words, Sofia is not alone in its struggle for progressive public water.

Coalition building aside, there is also the need to start building staff capacity to take water back in house. It is essential to start identifying skilled pro-public people in the municipality and perhaps reaching out to progressive Veolia managers who may be open to transitioning to a public water operator in 2025. Planning in advance for a transfer of personnel and management systems can make an enormous difference to the success of remunicipalisation. Not all challenges can be anticipated, but learning from experiences elsewhere can help identify potential problems.

Equally important will be working to develop a new public service ethos. This will be the hardest and longest-term challenge, and it is on this point that several interviewees argued that a progressive form of remunicipalisation could never happen in Sofia. As one interviewee noted:

We take no pleasure in this belief. We know there are well-run public water companies in other parts of the world and some poorly run private ones. We simply feel that corruption and other negative influences run too deep in the municipality in Sofia to make water public again. Those in the municipality simply want to control 150m BGN in revenues. If you transfer it back to the city, it could work for a bit but it will be corroded within a couple of years (Simidchiev, interview).

An economic consultant we spoke with had similar sentiments:

It's more expensive to have the private sector run water but we cannot reform the public sector. The judiciary system is weak and will not remove corrupt officials. On the other hand, the legal system for contracts is much stronger – especially when arbitration is done by a third party outside Bulgaria – where we can have more faith in the rule of law working with contracts and concessions (Kanev, interview).

And yet massive cultural changes can and do take place within large bureaucracies. Bulgaria's transformational experiences with dictatorship, socialism and neoliberalism over the past 75 years are a case in point. If we assume nothing will change, it will not. Even the most progressive remunicipalised public water operators in the world are still struggling to change the internal ethos of how they work (McDonald and Ruiters, 2012; Terhorst et al., 2013; Lobina, 2015). Once again, remunicipalisation must be seen as a short- and long-term challenge, with deep ideological reform taking place over decades.

There is also the challenge of convincing the general public of the need for a new type of democratised public water operator. Several of the people we spoke with argued that the only thing people care about with water is "cheap prices", and all of our interviewees implied that Sofians are not politicised enough to engage in debates about "progressive" public water reforms. There is truth to this, of course, and it is not unique to Sofia or Bulgaria. Relatively few water consumers in the world are deeply engaged in the water systems that service them, and it is still unusual to participate in actual decision-making (with some notable exceptions, such as Brazil's participatory budgeting models [Wampler, 2010]). It is therefore important that remunicipalisation campaigns do not talk only about the roles and responsibilities of the state but of water users as well. The Greens' councillor we interviewed seemed most animated by this possibility, arguing that "lots more people are becoming active citizens. We have this kind of language in our municipal documents. We just need to actualise it. It is possible. In fact, it is inevitable. We need to be patient for change. Most politicians here want immediate results".

THE ROMANI STRUGGLE

The situation of Romani people in Sofia demands special attention in this paper, and we turn to this briefly now.¹¹ Romani are one of the largest ethnic minorities in Bulgaria, constituting about 5% of the population (NSI, 2012). They tend to live in segregated and extremely destitute neighbourhoods, with poor access to water, healthcare, electricity and other basic amenities, as well as having high rates of unemployment (FRA, 2009). In 2017 nearly 80% of Romani in Bulgaria lived in poverty (NSI, 2018). The largest Romani neighbourhood in Sofia is Fakulteta, with a population of about 45,000 people, but there are many smaller neighbourhoods as well.

Romani are regularly blamed by the press and politicians, as well as managers of *Sofiyska voda*, for unaccounted-for water losses in Sofia, who claim they do not pay for the water they use. The far-right VMRO tried to pass legislation making non-payment of water a criminal offence in 2017, and has proposed widespread cut-offs in Romani neighbourhoods. Veolia has attempted to do the same in the past, such as efforts in 2013 to forcefully disconnect the entire neighbourhood of Fakulteta from the water network, but riots against *Sofiyska voda* employees forced the company to reconnect them (bTV, 2013).

According to the Romani leaders we spoke with in Sofia, most community members pay for water as far as they are able. The problem is that most homes are not independently connected to the water system. Instead, there is a single meter for hundreds of households, which are expected to negotiate amongst themselves how much they owe. In the Romani neighbourhood of Filipovtsi, for example, 4000 people are connected to one meter, and every month a *Sofiyska voda* employee goes from house to house to collect fees, carrying large sums of cash (Mihailova, interview).

Not surprisingly, water pressure is very low in these neighbourhoods and leaks are rampant (with water streaming down the road in the communities we visited). According to Miroslav Kolev, the mayor of Filipovtsi, residents have filed more than 1000 requests to *Sofiyska voda* asking for independent meters and adequate water infrastructure, to no avail (Dimitrova, 2017). Instead, Romani households have had to invest in expensive pumps to increase water pressure. In some cases elderly people find themselves with massive water debts and their pensions have been suspended as a result (A. Ilieva, interview). Meanwhile, the biggest water debtor in the country is the state-owned agricultural company, Vrana EAD, which has managed to have much of this debt written off in the past. Other public and private entities,

¹¹ This is not to suggest that there is no discrimination towards other minorities (e.g. Turks and Pomaks), but in Sofia only the Romani live in segregated communities where access to water has been limited. In addition, the far right has only campaigned to limit water access to the Romani and not to other minorities. The Romani have also been used by water companies as an excuse for a lack of investment and for price increases, unlike other ethnic minorities. Moreover, far-right parties, namely the National Front for the Salvation of Bulgaria, which is currently in government, have called for the forceful segregation of Romani people, which is not the case for other minorities.

including university campuses, have also accumulated substantial water arrears, but these are rarely mentioned in the media.

Sofiyska voda are not entirely to blame here. The company inherited the situation from the socialist era when Romani were pushed away from central parts of the city, with little in the way of infrastructure investment (Ivancheva, 2015). Prior to 1989 there were government policies designed to rectify this segregation but they were never implemented. In fact, the last decade of socialist rule saw a turn to ethnic nationalism and increasing racism. Nevertheless, the situation has not improved since that time, and in some ways it has worsened, with certain municipalities building walls around Romani communities and segregating schools.

Where does this leave Romani communities with respect to remunicipalisation? The community leaders we spoke to said they saw no difference between public and private water operators and even preferred private services (despite being opposed to privatisation in principle) because there is a contract they can use to litigate, as opposed to trying to take a municipal entity to court, which opens up space for corruption (Mihailova, interview). Nonetheless, overall they would be supportive of a progressive public operator of the sort outlined above, and they believed that Romani people would tend to support remunicipalisation (in part due to a misplaced sense of nostalgia about services in the socialist era). They were adamant, however, that Romani must be involved in any remunicipalisation campaign from the start: "Nothing about us without us" (Isaev, interview).

Herein lies what may be the biggest challenge of all in the struggle to create a progressive public water operator in Sofia in the future. Not only are Romani communities wary of working with non-Romani organisations (because of their past experiences of racism and marginalisation), many of the non-Romani people and groups we spoke with were explicitly or implicitly racist towards Romani, notably on the question of non-payment for water. Even some of the 'progressive' people and organisations we interviewed made disparaging comments about Romani, reproducing stereotypes. As one such activist put it: "Romani do not pay for their water so they don't care about the concession. We pay for them. They aren't interested in working with us".

CONCLUSION

As with most stories of remunicipalisation, Sofia's case offers no simple narrative. There is an appetite for public water amongst a broad cross-section of the city, but the potential for a progressive outcome is unclear. It is also true that Veolia finds itself in something of a Catch-22 situation: if they make the investment they have committed themselves to over the next 6-7 years, they may improve their public image, but it would also likely mean that prices would increase, which could make them even more unpopular (Kanev, interview).

We are left, therefore, with our 'winds of change' analogy. If social, political and economic factors favour the renewal of the concession contract closer to 2025 there is a good chance it will remain in private hands. But if there is a recession, or public relations gaffes on the part of Veolia, or a growing tide of anti-privatisation sentiment, the city could witness a remunicipalisation. But rather than waiting to see which way the winds are blowing – as many of our interviewees seemed to fatalistically imply – our argument here is that progressive pro-public advocates can start to create their own winds of change now. Seven years may be an eternity in politics, but it is a mere blip in time when it comes to changing mindsets, building networks and developing policy proposals for a progressive public water services network. This work should start today.

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APPENDIX

List of interviewees

	Name	Title/Occupation	Organisation
1	Vanya Grigorova	Chief Economic Advisor to the President of the Podkrepa trade union confederation	Confederation of Trade Unions Podkrepa / 'Solidary Bulgaria'
2	Kalin Parvanov	Journalist	A-specto
3	Boris Tsvetkov	Sofia municipal council member	Bulgarian Socialist Party
4	Ivan Ivanov	Director	Bulgarian Water Association
5	Anna Ilieva	Health mediator / community organiser	National Network of Health Mediators
6	Yoanis Partenyotis	Vice-President of Confederation / President of Podkrepa water workers federation	Confederation of Trade Unions Podkrepa
7	Boyan Zahariev	Programme Director	Open Society Institute Bulgaria
8	Ilko Yordanov	Expert programme 'Roma'	Open Society Institute Bulgaria
9	Angel Dzhambazki	Member of European Parliament	VMRO
10	Maria Manolova	Journalist	Capital
11	Dobromir Simidchiev	CEO, Member of the Board of Directors	Hydrolia Water Works
12	Radoslav Rusev	Member of the Board of Directors	Hydrolia Water Works
13	Daniela Mihailova	Director of Legal Programme	Equal Opportunities Initiative Association
14	Ognyan Isaev	Coordinator for Bulgaria	Roma Education Fund
15	Mariana Hristova	Activist	ND
16	Ivaylo Atanasov	Journalist	Barikada.org
17	Nikolay Draganov	Journalist	Barikada.org
18	Dimiter Dinev	Professor of Finance, Audit and Control	University of National and World Economy
19	Tsvetanka Ilieva	Activist	ND
20	Ivan Velkov	Sofia municipal council member	The Greens (political party)
21	Liubomir Filipov	Strategic Partnerships Director	Veolia / Sofyiska Voda

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