



## SUCCESS STORY

# Mediation Keeps Lights on in Roma Neighborhood

**New payment plans make it easier for residents to pay off debts**



Photo: Rado Rankov

*The Dupnitsa Mediation Center hosted the roundtable that was attended, among others, by local Roma leader Asen Borisov (left) and the head of the regional electricity company Georgi Karagutov (right).*

Gizdova Mahala is not only the largest Roma area in the Bulgarian city of Dupnitsa, it is also the poorest. Perched on a steep hill with stunning views of the nearby Rila Mountains, its streets are unpaved and dogs, horses and turkeys reside in the front yards of low brick houses. Local leader Georgi Georgiev, 24, worries about the future for the neighborhood's young people. Almost 2,000 people live in the community, 90 percent of whom receive government social assistance.

Nonpayment of electricity bills by residents in the neighborhood was a growing problem with no apparent solution. The electrical utility was frustrated at their inability to collect back payments and control illegal usage. Roma residents were frustrated by a payment system that made it difficult for them to pay back debts and current bills. Total electricity debts in the neighborhood exceeded \$120,000.

An active participant in the USAID Ethnic Interaction Program implemented by Partners Bulgaria Foundation (PBF), Georgiev identified the electricity issue as a potential source of conflict. Tensions ran so high that the electricity company brought police when they came to cut off the power of delinquent clients. Bulgarian neighbors were also growing increasingly resentful of non-paying Roma.

In October 2005, Georgiev and Nikolina Nikolova of the PBF Mediation Center in Dupnitsa decided to organize a roundtable with all interested parties. This included neighborhood representatives, the mayor's office, and electrical utility representatives.

Mladen Krastev, head of the local office of the electrical supply company, says he was "absolutely skeptical" that an agreement would be reached. Georgiev also says he expected officials to reject his suggestions. All parties were surprised when a solution emerged: individual payment plans for more than 100 households that allowed small payments to be credited towards past debt as well as current bills.

"It was difficult in the beginning. People paid irregularly," Krastev says. "Then the mediation center organized a meeting in the neighborhood. In the last three or four months, there has been a significant increase in people making regular payments." He estimates that 5 percent of the original debt has been collected under the agreements, which allow debtor household to pay amounts as small as \$5-\$10 a month over periods up to 10 years. Some residents have paid even more than was required under the agreement, and some households who didn't sign an agreement have begun to pay as a result of positive peer pressure from neighbors.

Dupnitsa Mayor Parvan Dangov remarks, "Mediation is a good practice. We've had good results with Partners Bulgaria Foundation: They recognized a problem and showed how it can be resolved. We want to continue our cooperation."