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**Bulgarian Brownfield Privatization and Firm Performance**

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**Abstract**

By using panel data for a sample of Bulgarian manufacturing firms this paper investigates the impact of the privatization process. All sample firms started under state control and many have now been privatized, mainly during the last few years. Our data enable us to use dynamic panel data methods and estimate a number of specifications to rigorously analyze the impact of privatization, and in particular insider privatization. Contrary to mainstream theory (e.g. Boycko et al., 1996) and the findings of an influential recent empirical survey (Djankov and Murrell, 2002), our results show no difference on firm performance for insider versus other methods of privatization.