

# How Does *Kompromat* Affect Politics? A Model of Transparency Regimes

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## Abstract

Why are transparency regimes so rare - even if one side might have something to hide, why would their opponents not push for transparency? To analyze transitional justice, we build a model that explains why politicians might prefer to maintain circumstances allowing for blackmail with embarrassing skeletons in the closet instead of truth revelation. We model the interaction between an incumbent politician, an opposition politician, a strategic blackmailer, who has access to *kompromat*, and voters. The incumbent and the voters know that the opposition politician may be compromised and are aware of a blackmailer. The blackmailer can release *kompromat* against opposition politicians. The incumbent can implement a transparency regime, which would make blackmail impossible. We show that she, instead, might strategically opt for a non-transparency regime that would keep the skeletons in the closet as it is easier to run against a maybe-tainted opponent. Our results are corroborated with data from the Global Transitional Justice Dataset.

# 1 Introduction

New democracies do not emerge in a vacuum. Legacies of former authoritarian states permeate the new polity in the form of unsettled scores of human rights abuses, staff of former security agencies, and archives of the former secret police listing who worked as a collaborator of the authoritarian security apparatus. The combined set of mechanisms designed to deal with these legacies is referred to as Transitional Justice (Elster, 2004; Aguilar, Fernández et al., 2002; Aguilar, Balcells and Cebolla-Boado, 2011). Some of these mechanisms involve holding those responsible for human rights violations accountable for what they did in the past through criminal trials (Sikkink, 2011).<sup>1</sup> Others simply rely on firing the administrative staff of the former authoritarian state and security apparatus through post-authoritarian purges (Binningsbø et al., 2012).

A number of classical contributors to the field of democratization and regime transitions in general, have expressed skepticism about policies punishing autocrats for human rights abuses committed in the past. Jack Snyder argues that “the prosecution of perpetrators of atrocities according to universal standards risks causing more atrocities than it would prevent, because it pays insufficient attention to political realities” (Snyder and Vinjamuri, 2004, 5). Stephen Holmes calls some forms of transitional justice “witch hunts” (Holmes, 1994). Jon Elster refers to such acts as “ritual sacrifices” (Cepl, 1992), Even Samuel Huntington maintains that sometimes “amnesty” (...) “is necessary to establish a new democracy on a solid basis” (Huntington, 1993, 214). Implicit in this classic literature is the understanding of transitional justice as a punitive process. Hence the use of the term “retroactive justice” as synonymous with transitional justice.

Yet not all forms of authoritarian dominance are as transparent as repression (Tyson, 2016). In many instances, the very acts that sustained the authoritarian regime were secret collaboration (Blaydes, 2010), cooptation (Magaloni, 2006), and sabotage (Dragu and

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<sup>1</sup>This will at times require the lifting of statutes of limitation for crimes whose statutes of limitation have already expired.

Przeworski, 2019). Hence, another important way of dealing with the past is through the disclosure of such actions and the revelation of the identities of collaborators, spies, and saboteurs. This second class of transitional justice mechanisms: transparency regimes—the revealing of who among persons holding public office collaborated with the secret police to the detriment of the anti-authoritarian opposition—is often left out of the classical critiques of transitional justice. Hence when Huntington says that “Even if a moral and legal argument could be made for prosecution, this would fall before the normative imperative of creating a stable democracy” he is implicitly assuming that transitional justice cannot be democracy-enhancing. One of the first things we do in this paper is show that transparency regimes improve the quality of representation by bringing policy proposals closer to the preferences of median voter than non-transparency regimes would.

However, while transparency regimes are better for democracy than lack of transparency, this alone does not imply they will be universally implemented. Indeed another puzzling observation in the transitional justice world is the delay in adopting transparency regimes relative to other transitional justice mechanisms. A simple comparison of the timing of the adoption of purges and criminal trials relative to transparency regimes (i.e., lustrations and truth commissions) clearly exemplifies that revealing the truth about secret collaboration takes new democratic states considerably longer than firing and punishing perpetrators of known offenses. Figure 1 based on the Global Transitional Justice Dataset illustrates this comparison for two categories of transitional justice: in green are purge events—positive events (that is, moving the transitional justice forward) net of negative events (that is, moving transitional justice backward)—measured annually and in blue are lustration and truth commission events, making up the totality of transparency regimes.

What is clearly visible in this figure is that transparency regimes trail behind purges, suggesting that politicians in post-authoritarian states are considerably more reluctant to implement measures disclosing secret collaboration with the authoritarian regime.

The theory we propose here suggests a compelling reason why incumbents refrain from im-

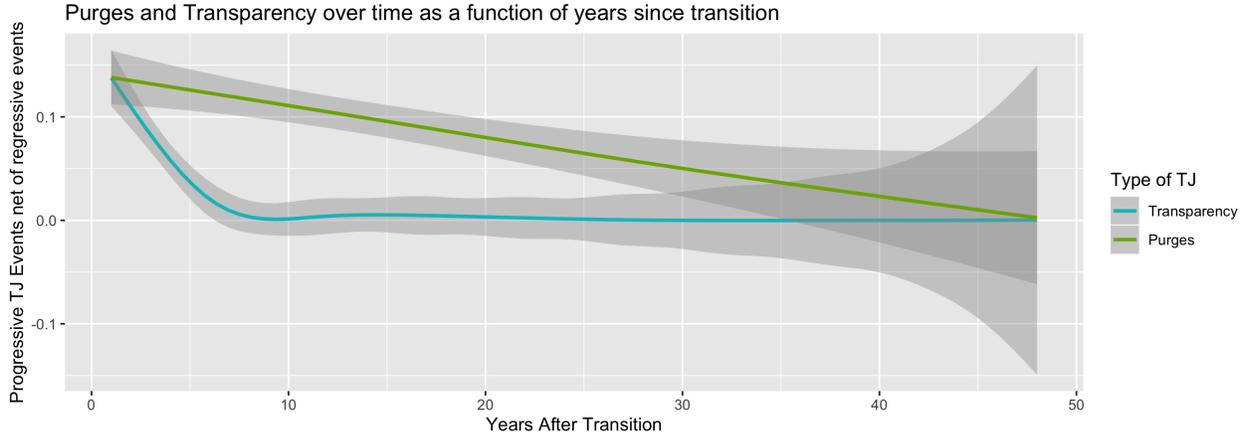


Figure 1: Purges and Lustration as a function of years lapsed since transition in 81 countries based on GTJD Note: Consistently with Bates, et. al., Purges and lustration are measured as the number of positive events, net of negative events per year.

plementing transparency regimes *even when they themselves have no skeletons in the closet*. Incumbents suppress transparency reducing the quality of representation in new democracies because they are more likely to win elections when their challengers can be blackmailed with kompromat concerning the latter’s past collaboration.

Our model shows both that transitional justice—in the form of transparency regimes—is good for democracy and explains why it is so rare.

The theory we present here assumes, in line with the reasoning above, that the surfacing of *kompromat* instantly destroys the career prospects of the compromised politician and that the incumbent in power has no skeletons in her own closet. In other words, we consider the case where transparency, on the surface, *should benefit the incumbent most*. Yet, we demonstrate a wide range of circumstances where it will not be implemented. We focus on modeling the strategic interaction between a median voter, an incumbent, a (potentially compromised) challenger and an agent of the ancien régime’s security apparatus. The key feature of the model is that the member of the ancien régime’s security apparatus has private information about whether a member of the opposition and challenger to the incumbent has done something embarrassing in the past, such as collaborated with the security police prior to the transition. Hence this is a model of *kompromat* (Darden, 2001).

This paper is organized as follows: The next section reviews the existing literature on theories of *kompromat*, blackmail, and dealing with agents of repression in the political economy literature. The following section presents our theory. After solving a baseline model, we relax some of its rigid assumptions. For instance, we re-arrange the positions of the blackmailer vis. a vis. the incumbent (specifically, the blackmailer can be on the opposite side of the median than the incumbent). In addition, we solve a version of the model with the precise location of the median voter uncertain. This modification allows us to expand the scope conditions of the model, beyond successor states of weak dictatorships, with fragmented security apparatuses.<sup>2</sup> In another modification to the model, presented in the appendix, we allow the incumbent and challenger to commit to policy platforms. In the final substantive section of the paper, we illustrate the comparative statics of our paper with originally collected data from the Global Transitional Justice Dataset combined with several variables from the Chapel Hill Expert Survey.

## 2 What we know about transitional justice

Thus far, to explain the delay in the implementation of transparency regimes, scholars have focused on structural explanations.<sup>3</sup> These have included focusing on the severity of the preceding authoritarian regime (Olsen, Payne and Reiter, 2010), but also on the fact that frequently in the aftermath of transition to democracy, successor authoritarian parties are elected into office (Grzymala-Busse, 2002).<sup>4</sup> A few recent contributions to the dynamics of transitional justice have focused on the leverage that outgoing elites had when negotiating the transition to democracy (Przeworski, 1991; Albertus and Menaldo, 2014). These works

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<sup>2</sup>Greitens (2016) describes such weak states that correspond in our model to a situation where the former security apparatus finds itself ideologically misaligned with the incumbent, even though in the previous regime, this security apparatus worked for the incumbent

<sup>3</sup>In addition, scholars of international relations have also formulated arguments according to which the involvement of the international community (Prorok, 2017; Loyle and Appel, 2017; Krcmaric, 2018; Nalepa and Powell, 2016) can induce transitional justice delays, particularly in instances where relying on international resources can economically benefit the country in question. (Simmons and Hopkins, 2005)

<sup>4</sup>For instance, Grzymala-Busse (2002) argues that in Post-Communist Europe, former authoritarian elites' "usable" skills allow them to form successful successor authoritarian parties.

suggest that transitional justice is avoided by post-authoritarian incumbents because it hurts them.

Although such explanations may account for why authoritarian successor parties avoid criminal trials or purges of known collaborators of the former authoritarian state, they are unable to account for delays in the implementation of transparency regimes where the “dirt” to be revealed (what we refer to as *kompromat*) would not hurt the incumbent at all, but rather would expose skeletons only in the former opposition’s closet (Nalepa, 2010; Kaminiski and Nalepa, 2014). Transparency regimes fit the description of such transitional justice mechanisms perfectly. Information about collaboration with the secret police of the ancien régime cannot hurt former authoritarian elites, as it is commonly known that members of authoritarian parties collaborated with the secret police, which in turn, worked for the autocrats. In contrast, if former dissidents worked with the secret police and denounced fellow members of the opposition, the revelation of such *kompromat* can end the collaborators’ political careers. Hence, the delay or virtual absence of transparency when successor autocrats are in power (or other parties who have no skeletons in the closet<sup>5</sup>) is puzzling, as intuition would lead us to believe that in a competitive setting, anything that reduces the electability of a challenger would be brought to light by an incumbent.

As far as formal Models of transitional justice are concerned, these, generally, fall into two categories. The first asks to what extent do different types of transitional justice enhance representation. For instance, Ang and Nalepa (2019) note that secret legacies of the ancien régime can become a dangerous instrument in the hands of a blackmailing former security officer who may use this *kompromat* to influence policy choices of the newly elected democratic politician. They show how a transparency regime significantly reduces the threat that such *kompromat* will be used to blackmail former authoritarian collaborators who following the transition to democracy assume public office. What Ang and Nalepa fail to account for, however, is that when a compromised politician makes a partial concession to the blackmailer

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<sup>5</sup>For instance Nalepa (2010) characterizes new parties and parties established by young members, who are not tainted by linkages to the communist past as such actors with incentives to implement lustration

to avoid the exposure of blackmail, he signals to voters that he is in fact a compromised politician. Our model addresses the issue of concessions towards the blackmailing party being indicative of being compromised. In other words, we assume that everyone, including the voters is rational. An important aspect of our model is that the compromised politician (and this is another difference with Ang and Nalepa (2019)) knows whether or not he is compromised and if he is compromised, the evidence is in the blackmailer's possession with certainty.

A second set of formal models of transitional justice focuses on how autocrats discipline their agents of repression. The dilemma faced by autocrats is highlighted by Powell (2014): "a weak military can leave them vulnerable to (...) civil war, while a strong military (...) a coup d'état. Paine (2019). The same reasoning can be applied to internal security forces. Authoritarian leaders have two choices:

1. they can maintain weak or fragmented, security forces, thus guarding against a coup d'état, but risking resistance from below
2. or they can invest in strong state security at the risk of empowering a strong competitor.

Tyson (2016) translates the leader's dilemma to the transitional justice context by modeling the interaction between a leader and his repressive apparatus in circumstances where the stability of the authoritarian regime is uncertain. The autocrat in these circumstances must compensate his agents of repression to offset their potential of being punished should the regime collapse. Tyson's model uses the prospect of transitional justice to model repressive agents' incentives and his theory assumes that the identity of these agents is known. This need not be the case, however. Moreover, the availability of information on who in the past was or was not a secret collaborator of the ancien régime depends on the transparency regime, which itself can be the subject of choice. This is gap filled by our model.

A paper that draws on both of these strands of transitional justice literature is recent work by Hubert and Little (2019), who conceptualize the collection of embarrassing information

by principals on their agents as a way of disciplining subordinates while still under an authoritarian regime. The authors use a cheap talk game to account for the possibility of *kompromat* being leaked. Our model departs from Hubert and Little (2019) in that whatever compromising information was available has already been collected and cannot be altered. Indeed, our setting, in contrast to Little and Hubert’s, is post-authoritarian, whereas theirs is still authoritarian. The *kompromat* in our model can no longer be produced or altered.<sup>6</sup> It can, at most, be used to force compromised politicians into making concessions. Also, voters, and their ability to update beliefs about the probability they are represented by a compromised politician plays a key role in our model. Indeed, we show that any general model of kompromat must have at least four cross-cutting types allowing the voter’s uncertainty to translate into a blackmailer’s leverage over politicians: On the one hand there is uncertainty about the politician’s true policy preferences. On the other, the voter has to be uncertain about whether their representative is compromised.

### 3 The Model

There are four players in our model with preference in the uni-dimensional policy space,  $R$ : an Incumbent,  $I$ , with ideal point  $x_I > 0$  and an Opposition challenger,  $O$  with ideal point  $x_O < 0$ , a median voter,  $M$ , with ideal point  $x_M = 0$  (Later, we relax this assumption and allow  $x_M$  to be distributed over an interval.) and a blackmailer,  $B$ , with ideal point  $x_B < x_O$ . While the precise preferences of the incumbent are known, the precise preferences of the opposition challenger are not. We assume that the ideal policy of the challenger is either extreme (with ideal point  $x_O^E$ ) or moderate (with ideal point  $x_O^M$ ) with  $x_O^E < x_O^M < 0$  but that neither the voter nor the incumbent know with certainty the challenger’s type. Both the incumbent and the median voter know that the opposition leader might be compromised with embarrassing material collected against him by the former security apparatus, and have *ex ante* correct expectations about the probability that the challenger is compromised.

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<sup>6</sup>This is also an important departure from Nalepa (2008).

The opposition leader himself knows his type with certainty.<sup>7</sup> Additionally, all players are aware of a Blackmailer who, if the opposition leader is compromised, is in a position to disclose the compromising information.

### 3.1 Setup

We assume that the incumbent is currently in power but facing an election. By “in power,” we only mean that he is in a position to implement a transparency regime. Recall, that the goal of our model is to explain why even politicians who are not themselves compromised will shield from a transparency regime those who are. Therefore, as a starting place for our model we choose a scenario where one would expect the transparency regime to be more readily implemented—namely a regime led by politicians who have no “skeletons in the closet.”

We can think of the incumbent as the successor autocrat. This part of his identity is relevant to the extent that he is not compromised by working for the secret police. Note, that in line with the reasoning presented in Nalepa (2010), authoritarian elites collaborated with regime openly and there are no secrets regarding this collaboration that could compromise them further. In contrast, members of the opposition were constantly recruited (with varying success) to serve as secret police informers while this secret police attempted to gather information about the activities of dissident movement.<sup>8</sup>

Politicians do not commit to policies: once in the office, they do what is optimal for them.<sup>9</sup> The incumbent has policy preferences  $U_I = -|x - x_I|$  and her ideal policy  $x_I > 0$  is known to voters. We assume that, regardless of the policy choice she takes, the opposition leader prefers to stay in office.<sup>10</sup>

The opposition leader’s preferences are  $U_O = -|x - x_O|$ . As remarked above, the voters

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<sup>7</sup>In contrast, Ang and Nalepa (2019) assume that the opposition leader himself does not know whether or not he is compromised.

<sup>8</sup>Note, that without any loss of generality the successor autocrat could be a reformed communist party. In this case, the ideal points of the opposition challenger—both the more moderate and the extreme types—will be on the right side of the median.

<sup>9</sup>We later relax this assumption.

<sup>10</sup>This assumption is not necessary, but greatly simplifies the algebra.

and the incumbent are uncertain about these preferences,  $x_O \in \{x_O^E, x_O^M\}$  with  $x_O^E < x_O^M < 0$ . This uncertainty is captured by the parameter  $\theta \in (0, 1)$ , where  $P(x_O = x_O^M) = \theta$  and  $P(x_O = x_O^E) = 1 - \theta$ . We will first focus on a specific case, in which  $x_I > |x_O^M|$  i.e., the incumbent would lose elections to the opposition leader if the latter is known to be the moderate type for sure.

There is also a second layer of uncertainty concerning the opposition leader—whether or not he is compromised by having collaborated with the secret police and engaging in denunciations. We assume that the opposition leader is compromised with probability  $\mu$ ; this probability is common information. The blackmailer’s policy preferences are  $U_B = -|x - x_B|$  with  $x_B < x_O^E$ . If the kompromat is released, the opposition leader resigns and new elections take place. In these elections, the new opposition leader is drawn from the same ideological type distribution as previously, i.e., there is probability  $\theta$  that he is moderate, and  $1 - \theta$  that he is extreme.

The incumbent politician can choose the regime of transparency which will expose all evidence and dissuade compromised politicians from running.

## Timing

1. The incumbent decides on the regime, either transparent, in which all information is released, or non-transparent.
2. Elections take place with voters choosing between the incumbent and the opposition leader.
3. The politician  $P \in \{I, O\}$  that wins chooses the policy  $x_P^*$ . The choice of the opposition leader might depend on whether or not he is compromised.
4. If the winner is the opposition leader who is compromised, the blackmailer decides whether or not to release the *kompromat*.

5. If the the *kompromat* is published, the winner is forced to resign, and the new elections are held with the opposition leader drawn from the same type distribution.
6. Pay-offs are received.

Our equilibrium concept is Perfect Bayesian equilibrium, in which voters form their beliefs about the type of the elections' winner on the basis of his policy choice and whether or not kompromat has been released.

### 3.2 Analysis

Players strategies are characterized formally in the appendix, where we also construct the Perfect Bayesian Equilibrium. Here we convey the intuitive solution. We do the analysis backwards, starting from the final stage of the game. Notice first, that if the opposition politician who is elected into office is not compromised, she will choose  $x_O^* = x_O^i$ ,  $i \in \{E, M\}$ , her true preference. However, if the elected opposition leader is compromised, she faces different incentives, as the blackmailer has means to force him to take the extreme position. For the blackmailer, it makes sense to release the kompromat against a moderate opposition leader as long as

$$-E|x_O^{new} - x_B| = -(1 - \theta)|x_O^E - x_B| - \theta|x_O^M - x_B| > -|x_O^M - x_B|,$$

where the left-hand side is the blackmailer's expected utility after the new election. Thus, if the blackmailer has kompromat to release against the moderate opposition leader, he will always do so. For the blackmailer, a gamble with a new opposition leader, who is extreme with some positive probability, is strictly preferable to the moderate winner.

The compromised politician upon being elected, does not want to be exposed, so he will choose  $x_O^*$  accordingly. If he chooses anything other than  $x_O^M$  or  $x_O^E$ , he exposes himself as compromised because the non-compromised politician, recall, has no incentives to choose

anything but her true preferences.<sup>11</sup> Since the blackmailer prefers the extreme left, the compromised moderate will choose  $x_O^E$ . Otherwise, the blackmailer would release the kompromat. Since any policy choice but  $x_O^M$  or  $x_O^E$  reveals that the politician is compromised, in a (Perfect Bayesian) equilibrium, the compromised politician chooses  $x_O^E$  regardless of his true type and the blackmailer stays silent.

Now, consider the choice of the median voter (with ideal point  $x_M = 0$ ). Voting for the incumbent gives her  $-x_I$ , while voting for the opposition leader results in  $x_O^M$  with probability  $\theta(1 - \mu)$  and  $x_O^E$  with probability  $\theta\mu + (1 - \theta)$ . That is, the expected utility of voting for the opposition leader if there is no transparency is:

$$Eu_M(x_O^*|N) = x_O^M\theta(1 - \mu) + x_O^E(\theta\mu + (1 - \theta)).$$

Thus, if there is no transparency the median voter votes for the opposition as long as:

$$u_M(x_I) = -x_I < x_O^M\theta(1 - \mu) + x_O^E(\theta\mu + (1 - \theta)) = Eu_M(x_O^*|N).$$

Finally we ask when would the incumbent leader choose transparency? Empirically, this means publishing the contents of secret police archives or implementing a lustration law that would limit the release of materials only to persons running for or holding public office. In our model, this means that with probability  $1 - \mu$  the opposition leader's type is revealed to be non-compromised. In this case, the median voter's expected utility of voting for the opposition leader for is:

$$Eu_M(x_O^*|T) = x_O^M\theta + x_O^E(1 - \theta),$$

and the median votes for the opposition in the transparency regime as long as

$$u_M(x_I) = -x_I < Eu_M(x_O^*|T) = x_O^M\theta + x_O^E(1 - \theta).$$

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<sup>11</sup>There might be different equilibria supported by weird beliefs; the perfect Bayesian equilibrium that we analyze is the only one that survives the intuitive-criterion elimination logic.

Now, if

$$Eu_M(x_O^*|N) < u_M(x_I) < Eu_M(x_O^*|T), \quad (1)$$

the incumbent chooses the non-transparency regime, as she wins under non-transparency but loses with transparency. Given the incumbent's policy preferences, she prefers winning to losing, because if she wins, in she implements her ideal policy. Figure 2 illustrates this situation.

The conditions described in expression (1) are equivalent to

$$x_O^M \theta (1 - \mu) + x_O^E (\theta \mu + (1 - \theta)) < -x_I < x_O^M \theta + x^E (1 - \theta) \quad (2)$$

which is in turn equivalent to the pair of inequalities

$$x_I < -x_O^M (\theta (1 - \mu)) - x_O^E (\theta \mu + (1 - \theta)) \quad (3)$$

and

$$x_I > -x_O^M \theta - x_O^E (1 - \theta) \quad (4)$$

The advantage of these last inequalities is that all expressions are positive (recall that  $x_O^M$  and  $x_O^E$  are both negative), so analysis is very intuitive. Start with (4). As  $-x_O^M < x_I$  by assumption, there exists  $\tilde{\theta} < 1$  such that for any  $\theta \in [\tilde{\theta}, 1]$ , condition (4) is fulfilled. Now, fix any such  $\theta \in [\tilde{\theta}, 1]$ . As  $-x_O^E > x_I$  by assumption, there exists  $\tilde{\mu} = \tilde{\mu}(\theta) > 0$  such that for any  $\mu \in [0, \tilde{\mu}]$ , condition (3) is fulfilled. Thus for any pair of parameters  $(\theta, \mu)$  such that  $\theta \in [\tilde{\theta}, 1]$ ,  $\mu \in [0, \tilde{\mu}(\theta)]$  the incumbent will prefer no transparency.

In figure 3, the utility of the median voter from voting for the incumbent is given by the bottom dashed blue line (the top dashed blue line corresponds to the median's utility from the policy of the moderate opposition leader, which the median cannot ensure himself of). Condition (1) is represented by the two red lines that correspond to the payoff of the

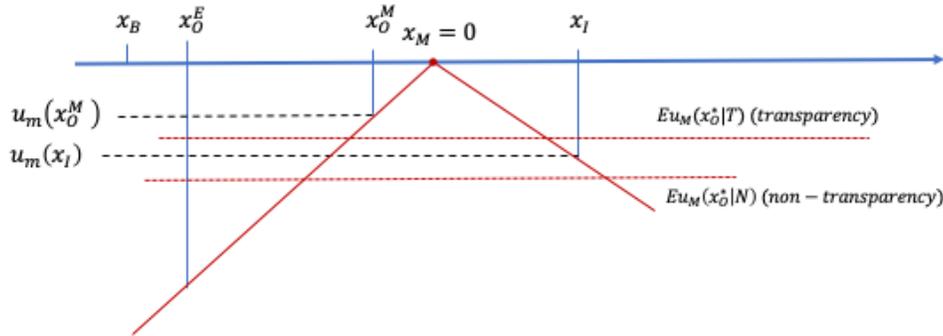


Figure 2: The median voter prefers the opposition leader when there is transparency, but prefers the incumbent if there is a chance that the opposition leader is compromised. With  $\mu$  increasing, the expected utility of the median voter goes down; chances of the incumbent increase.

median voter from voting for the opposition under the non-transparency (bottom red) and transparency (top red) line.

### 3.3 Comparative Statics

Simple comparative statics is intuitive: an increase in  $\mu$ , the probability that the opposition leader is compromised, leads to a decrease in  $Eu_M(x_O^*|N)$ . In terms of Figure 3 above, an increase in  $\mu$  will shift the bottom red line down because the probability that the moderate opposition leader mimics the far left leader in order to avoid having kompromat exposed increases. In other words, when the the opposition leader is more susceptible of being compromised, the incumbent's advantage from the non-transparency case increases. The next figure expands on this observation and leads directly to our first proposition. In addition to comparative statics on  $\mu$ , we can ask how the location of the moderate opposition leader affects the choice of the transparency regime. To see this, note that  $x_O^M$  can vary between  $x_O^E$  and  $x_M = 0$ . For instance, the expected payoff from the non-transparency regimes to the median when the moderate opposition leader overlaps with the median's ideal point is

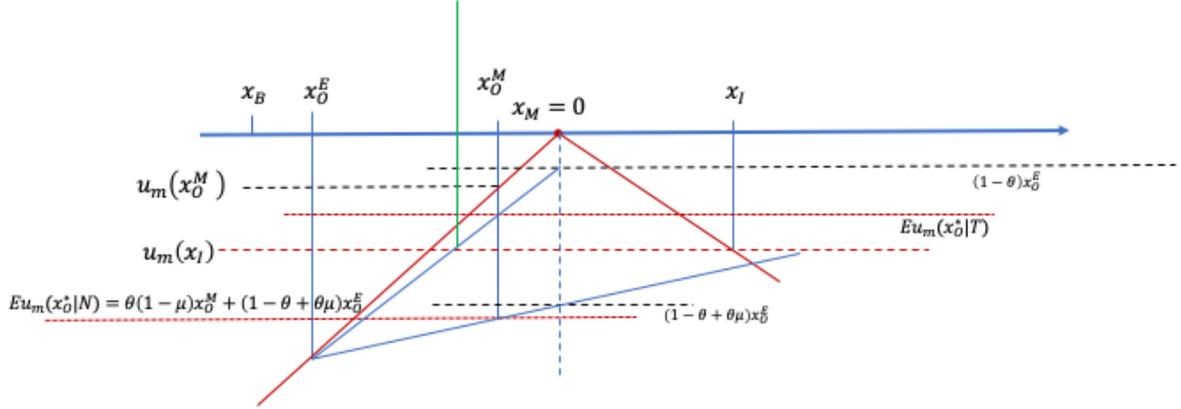


Figure 3: Comparative statics on the position of the moderate opposition leader,  $x_O^M$ . Under the transparency regime, the Incumbent loses to all left opponents whose moderate position is to the right of the green line.

$(1 - \theta + \theta\mu)x_O^E$  (because the ideal point of  $x_m = 0$  drives one part of the expected utility to zero); for the transparency regime it is simply  $(1 - \theta)x_O^E$ . In contrast, if the type of the moderate opposition overlaps with the extreme opposition, then the utility of the median is simply  $x_O^E$ . Since everything in the utility functions is linear, after allowing  $x_O^M$  to vary, for any fixed  $\mu$  and  $\theta$ , all expected payoffs for the median under transparency and non-transparency will lie on the two blue lines originating at the intersection of the red utility function of the median and the blue line orthogonal to the policy space, extending from  $x_O^E$ . The lower blue line corresponds to the transparency regime, whereas the higher blue line corresponds to non-transparency regime. The median's payoff from voting for the incumbent is given by the intersection of the median's utility function (in red) and the line extending from  $x_I$ , orthogonal to the policy space. The higher blue line—corresponding to the payoff from the non-transparency regime—intersects with the red line representing the median's payoff from voting for the incumbent at the green line. Hence, all moderate opposition leaders with ideal points to the right of the green line will make the incumbent refrain from a transparency regime.

The critical location of the moderate opposition marked by the green line in figure 1 at which the incumbent prefers non-transparency to transparency can be found by simply setting  $EU_M(x_O^*|N) = \theta(1 - \mu)x_O^M + (1 - \theta + \theta\mu)x_O^E$  equal to  $x_I$  and solving for  $x_O^M$ . After solving for this expression, we arrive at our first proposition expressing the main result:

**Proposition 1** *For any fixed proportion of collaborators  $\mu$  and probability of the opposition leader being moderate  $\theta$ , there exists a critical location of the moderate opposition leader  $\bar{x}_O^M$  such that any  $x_O^M \geq \bar{x}_O^M$  ensures that a transparency regime will never be implemented by the non-compromised incumbent.*

How does the location of the incumbent's ideal point affect her decision to implement transparency regime? Figure 4 illustrates the logic behind the answer to this question, while Proposition 2 presents the results formally.

The dashed lines in Figure 4 show the payoff to the median as theta changes from 1 to 0 under the transparency (blue) and non-transparency (red) regimes. To determine what decision is more beneficial to the incumbent, these payoffs are compared to  $-x_I$ , which corresponds to the median's utility when she reelects the incumbent.

Notice that for every  $\theta$ ,  $EU_M(x_O^*|T, \theta) \geq EU_M(x_O^*|N, \theta)$  and both  $EU_M(x_O^*|T, \theta)$  and  $EU_M(x_O^*|N, \theta)$  are increasing in  $\theta$ , because the median is better off the more likely it is that the moderate opposition wins. Hence, there exists  $\underline{\theta}$  such that for any  $\theta > \underline{\theta}$ , the incumbent loses under transparency but wins under the non-transparency regime. This is the case because the median prefers the lottery between  $x_O^E$  and  $x_O^M$  with probabilities  $1 - \underline{\theta}$  and  $\underline{\theta}$ , respectively to the incumbent's ideal point. But to the left of the  $\underline{\theta}$ , the median prefers the incumbent under both transparency and non-transparency regimes. The specific value of  $\underline{\theta}$  is given by the solution to the expression:

$$-x_I = \theta x_O^M + (1 - \theta)x_O^E$$

We conclude that to the left of  $\underline{\theta}$  the incumbent does not care for the nature of the regime,

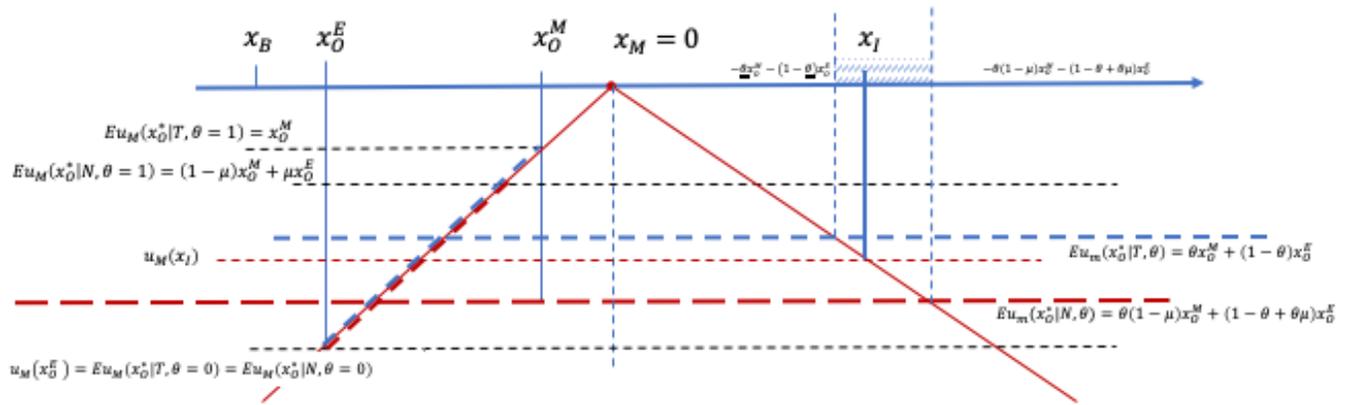


Figure 4: Transparency Decisions by Different Types of Incumbents. To the left of  $-\underline{\theta}x_O^M - (1 - \underline{\theta})x_O^E$  the incumbent wins regardless of regime; to the right of  $-\bar{\theta}(1 - \mu)x_O^M - (1 - \bar{\theta})\mu x_O^E$  the incumbent loses regardless of regime.

though to the immediate right of it he prefers non-transparency. In addition, there exists a  $\bar{\theta} > \underline{\theta}$ , such that for every  $\theta > \bar{\theta}$ , the incumbent loses under both the transparency and non transparency, because the median will prefer the lottery between  $x_O^M$  and  $x_O^E$  this time with weights that include  $\mu$ .  $\bar{\theta}$  is the solution to

$$-x_I = \theta(1 - \mu)x_O^M + (1 - \theta + \theta\mu)x_O^E$$

The relationship between  $\underline{\theta}$  and  $\bar{\theta}$  is given by

$$\bar{\theta} = \frac{\theta}{1 - \mu}$$

We notice immediately that the distance between  $\underline{\theta}$  and  $\bar{\theta}$  increases with  $\mu$ . But looking at the interval between  $\underline{\theta}$  and  $\bar{\theta}$ , we can also formulate the following proposition:

**Proposition 2** *Define the set  $NT^I \equiv \{x_I | -\theta x_O^M - (1 - \theta)x_O^E \leq x_I \leq -\theta(1 - \mu)x_O^M - (1 - \theta + \theta\mu)x_O^E\}$ . Any incumbent with  $x_I \in NT^I$  will prefer a non-transparency regime to a transparency regime. The size of the set  $NT^I$  increases with the proportion of collaborators,  $\mu$ , the distance between the potential opposition challengers, and the probability that the opposition challenger is in fact moderate,  $\theta$ .*

Although it is tempting to translate the size of set  $NT^I$  into a probability of implementing a transparency regime, we want to caution against this, because incumbents with ideal points to the left of  $-\theta x_O^M - (1 - \theta)x_O^E$  win under both transparency and non-transparency regimes. In light of this, such incumbents have no particular incentives for maintaining transparency. But incumbents with ideal points close to the median and hence characterized by  $x_I \leq \theta x_O^M - (1 - \theta)x_O^E$  should be more prevalent (given that they emerge victorious in elections). At the same time, incumbents with ideal points greater than  $-\theta(1 - \mu)x_O^M - (1 - \theta + \theta\mu)x_O^E$  will lose under both regimes and so do not have a preference for one over the other, but they should be more rare. We conclude the baseline model by pointing out that the the effect of

changes in  $x_I$  is not monotone, but is proportional to the distance between the opposition challengers.

### 3.4 The Uncertain Median

In the baseline model, we assumed that the position of the median voter is known ex ante. In this section, we relax this assumption and define the ideal point of the median voter, i.e.  $x_M$ , by a random variable distributed uniformly over  $[-\frac{1}{2\delta}, \frac{1}{2\delta}]$ .

We start by calculating the probability that the opposition wins, given the parameters of the model, for both transparency and non-transparency regimes. In the model with uncertainty, the consequence a transparency regime on the incumbent's re-election prospects are probabilistic. However, for a range of parameters, the incumbent still prefers non-transparency. This model can hence be interpreted as a robustness check on our main result that uncompromised incumbents protect compromised politicians by shielding them from transparency legislation that would expose skeletons in their closet.

Assume, as before, that  $x_B < x_O^E < x_O^M < 0 < x_I$  but  $x_M \sim U[-\frac{1}{2\delta}, \frac{1}{2\delta}]$ , which implies that, for any given  $x$ , the probability that  $x_M < x$  is given by  $F(x) = \delta x + \frac{1}{2}$ . We will assume that  $\delta$  is large enough that  $x_O^M < -\frac{1}{2\delta} < 0 < \frac{1}{2\delta} < x_I$

Since the order of play is the same as before, we start from the decision of the Blackmailer, B. The Blackmailer reveals kompromat if and only if

$$-|x_O^* - x_B| < -|x_O^E - x_B|(1 - \theta) - \theta|x_O^M - x_B| \quad (5)$$

Thus, the Blackmailer does not reveal *kompromat* if  $x_O^* = x_O^E$  but he reveals it whenever it is in his possession and  $x_O^* = x_O^M$ .

Recall, as before, that for the uncompromised politician choosing anything but his ideal point is weakly dominated by choosing his ideal point. Given this, in the Perfect Bayesian Equilibrium we construct, the compromised politician must select a policy from the set

$\{x_O^E, x_O^M\}$ . For any other values and reasonable beliefs other policy choices can never be the equilibrium  $x_O^*$ , because the voters would immediately know these choices were made by a compromised politician. Moreover, choosing  $x_O^M$  would result in the release of kompromat on behalf of the blackmailer, so the compromised politician chooses  $x_O^* = x_O^E$  regardless of his type.

Under non-transparency regime, the median voter votes for the opposition if and only if

$$x_M < \frac{x_I + x_O^M \theta (1 - \mu) + x_O^E (1 - \theta + \theta \mu)}{2}.$$

Thus, the probability that the opposition wins under the non-transparency regime is

$$P^{NT} = \frac{1}{2} + \frac{x_I + x_O^M \theta (1 - \mu) + x_O^E (1 - \theta + \theta \mu)}{2} \delta.$$

To find how the median votes under the transparency regime, we simply set  $\mu = 0$  in the above expression. The opposition wins if and only if

$$x_M < \frac{x_I + x_O^M \theta + x_O^E (1 - \theta)}{2},$$

which implies the probability of defeating the incumbent under transparency of

$$P^T = \frac{1}{2} + \frac{x_I + x_O^M \theta + x_O^E}{2} \delta.$$

The probability of losing under transparency is higher:  $P^{NT} > P^T$  whenever  $\mu > 0$ .

If the incumbent wins, her utility is equal to zero. Hence what is left is to calculate her expected utility conditional on losing under the transparency and non-transparency regimes.

$$\begin{aligned} EU_I(x_O^*|NT) &= -(x_I - x_O^M) \theta (1 - \mu) - (x_I - x_O^E) (1 - \theta + \theta \mu), \\ EU_I(x_O^*|T) &= -(x_I - x_O^M) \theta - (x_I - x_O^E) (1 - \theta), \end{aligned}$$

(where the expectation is taken with respect to the opposition politician's type).

Clearly, the incumbent would prefer to lose under the transparency, rather than under the non-transparency regime.

Now, the expected utility of the incumbent under the transparency regime is

$$\begin{aligned} EU_I(NT) &= P^{NT} \times EU_I(x_O^*|NT) \\ &= \left( \frac{1}{2} + \delta \frac{x_I + x_O^M \theta (1 - \mu) + x_O^E (1 - \theta + \theta \mu)}{2} \right) (-(x_I - x_O^M)(\theta(1 - \mu) - (x_I - x_O^E)(1 - \theta + \theta \mu))). \end{aligned}$$

and

$$\begin{aligned} EU_I(T) &= P^T \times EU_I(x_O^*|T) \\ &= \left( \frac{1}{2} + \delta \frac{x_I + x_O^M \theta + x_O^E (1 - \theta)}{2} \right) (-(x_I - x_O^M)\theta - (x_I - x_O^E)(1 - \theta)). \end{aligned}$$

Now we can ask when does the incumbent choose transparency,  $EU_I(T) \geq EU_I(NT)$ ? There is trade-off because although is that the probability of winning is higher under transparency, she would prefer to lose under no transparency, rather than under transparency.

$$\mu < \bar{\mu} = 2 - 2 \frac{x_O^E + \frac{1}{2\delta}}{\theta(x_O^E - x_O^M)}.$$

**Proposition 3** (i) Fix the incumbent's ideal point,  $x_I$ , and the opposition ideal points  $x_O^M$  and  $x_O^E$ , as well as the probability of the the opposition being moderate rather than far left,  $\theta$ . There exists a critical proportion of collaborators,  $\bar{\mu} \geq 0$ , such that for any  $\mu \geq \bar{\mu}$  the incumbent will prefer to refrain from a transparency regime. .

(ii) The threshold  $\bar{\mu}$  is increasing, making the range for transparency regime parameters wider, with the probability that the challenger is moderate,  $\theta$ , and decreasing with the uncertainty about the median voters' ideal point (smaller  $\delta$ ). When  $x_O^M$  or  $x_O^E$  increases, the range for transparency regime becomes narrower.

### 3.5 Heterogeneous Opposition

A potential limitation of the basic setup analyzed above is that it assumes that the incumbent and the security officer have ideal points on opposite sides of the median voter. Why would a former autocrat and a security officer who used to work for that former autocrat have preferences that diverge so much? It is important to point out that since the period under investigation is post-authoritarian, there is no reason to expect that the former security apparatus worker with access to sensitive information and the incumbent's ideal points should be proximate to each other.<sup>12</sup> To check the robustness of our basic model, in this Section we relax the assumption and model the blackmailer and incumbent with ideal points on the same side of the median voter.

Electoral competition still takes place between an incumbent and an opposition challenger and while the precise preferences of the incumbent are known, the precise preferences of the opposition challenger are not. We assume that the ideal policy of the challenger is represented by a far left challenger or a moderate right challenger, but that neither the voter nor the incumbent know with certainty the challenger's type. The position of the median voter is known and located at  $x_m = 0$  and the position of the incumbent is moderately left. In sum,  $x_B < x_O^M < x_I < x_M < x_O^E$  and we will focus on the range of parameters, for which  $|x_M - x_I| > |x_M - x_O^E|$ , i.e., the incumbent would lose elections to the right-wing type of the opposition leader.<sup>13</sup>

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<sup>12</sup>Another justification for this location of the Blackmailer and the incumbent who is identified with the successor party having preferences so divergent from one another is based on the work of Chestnut Greitens (2017), where the main threat face by the autocrat is from a member of the ruling coalition. Coup-proofing concerns incentivize the autocrats to refrain from creating a centralized security agency. Instead she creates a collection of competing agencies, frequently with overlapping jurisdictions. As the agencies check each other and compete for favors with the autocrat, neither rises to be a threat to her power. Under these circumstances it is not surprising to see a blackmailer on the opposite side of the median voter relative to the incumbent.

<sup>13</sup>For readers interested in the Post-Communist context, this set-up is akin to modeling a situation with a ("reformed communist") as the incumbent, a security officer with hard-line preferences associated with the previous era and a very heterogeneous opposition. Poland, Hungary and Bulgaria in the 1990's match this context very well. In previous work, the only way scholars could explain the implementation of transparency regimes in such contexts was through preemptive proposals in closed rules agenda-setting environments (Kaminski and Nalepa, 2014; Nalepa, 2010).

As before, the blackmailer releases the kompromat if and only if

$$-|x_O^* - x_B| < -\theta|x_O^M - x_B| - (1 - \theta)|x_O^E - x_B|,$$

The opposition leader upon winning elections, if he is not compromised, will choose  $x_O^* = x_O$ , his true preference, while the compromised politician in power not wanting to be exposed, in equilibrium, chooses  $x_O^* = x_O^M$ , as choosing  $x_O^R$  would cause the blackmailer to release kompromat.

Next, for the median voter, voting for the incumbent gives  $-|x_I - x_M|$ , while voting for the opposition leader gives  $-|x_O^M - x_M|$  with probability  $\theta + (1 - \theta)\mu$  and  $-|x_O^E - x_M|$  with probability  $(1 - \theta)(1 - \mu)$ . That is, the expected utility of voting for the opposition leader if there is no transparency is

$$Eu_M(x_O^*|N) = -|x_O^M - x_M|(\theta + (1 - \theta)\mu) - |x_O^E - x_M|(1 - \theta)(1 - \mu).$$

Thus, if there is no transparency the median voter votes for the opposition as long as  $u_M(x_I) < Eu_M(x_O^*|N)$ .

In contrast, under the transparency regime, the median's expected utility of voting for the opposition leader is given by:

$$Eu_M(x_O^*|T) = -|x_O^M - x_M|\theta - |x_O^E - x_M|(1 - \theta),$$

and the median voters votes for the opposition in the transparency regime as long as:

$$u_M(x_I) < Eu_M(x_O^*|T).$$

The incumbent chooses the non-transparency regime as long as

$$Eu_M(x_O^*|N) < u_M(x_I) < Eu_M(x_O^*|T), \tag{6}$$

To see when the conditions (6) are fulfilled, note that under our new assumptions,

$$\begin{aligned}
-|x_I - x_M| &= x_I - x_M \\
-|x_O^M - x_M| &= x_O^M - x_M \\
-|x_O^E - x_M| &= x_M - x_O^E.
\end{aligned}$$

So,

$$\begin{aligned}
Eu_M(x_O^*|N) &= -|x_O^M - x_M|(\theta + (1 - \theta)\mu) - |x_O^E - x_M|(1 - \theta)(1 - \mu) \\
&= (x_O^M - x_M)(\theta + (1 - \theta)\mu) + (x_M - x_O^E)(1 - \theta)(1 - \mu), \\
Eu_M(x_O^*|T) &= -|x_O^M - x_M|\theta - |x_O^E - x_M|(1 - \theta) \\
&= (x_O^M - x_M)\theta + (x_M - x_O^E)(1 - \theta).
\end{aligned}$$

Now (6) are equivalent to:

$$\begin{aligned}
(x_O^M - x_M)(\theta + (1 - \theta)\mu) + (x_M - x_O^E)(1 - \theta)(1 - \mu) &< x_I - x_M \\
x_I - x_M &< (x_O^M - x_M)\theta + (x_M - x_O^E)(1 - \theta)
\end{aligned}$$

which is in turn equivalent to

$$x_M - x_I < (x_m - x_O^M)(\theta + (1 - \theta)\mu) + (x_O^E - x_M)(1 - \theta)(1 - \mu) \quad (7)$$

$$(x_M - x_O^M)\theta + (x_O^E - x_M)(1 - \theta) < x_M - x_I. \quad (8)$$

Beginning with (8), note that by assumption  $x_O^E - x_M < x_M - x_I$ . So there exists  $\tilde{\theta} > 0$  such that for any  $\theta \in [0, \tilde{\theta}]$ , condition (8) is fulfilled. Now, fix any such  $\theta \in [0, \tilde{\theta}]$ . As  $x_M - x_O^M > x_M - x_I$  by assumption, there exists  $\tilde{\mu} = \tilde{\mu}(\theta) < 1$  such that for any  $\mu \in [\tilde{\mu}, 1]$ , condition (7) is fulfilled. Thus for any pair of parameters  $(\theta, \mu)$  such that  $\theta \in$

$[0, \tilde{\theta}]$ ,  $\mu \in [\tilde{\mu}(\theta), 1]$ , the incumbent will prefer no transparency. Moreover, as before, it is straightforward to see that an increase in  $\mu$ , will for any  $\theta$  that satisfies (8), satisfying (7) easier. That is, we demonstrated that the main results of our basic model stay true for a range of parameters when the blackmailer is not necessarily on the same side of the political spectrum as the victim of the blackmail.

## 4 Transparency regimes in Post-Communist Europe

In this section we focus on corroborating with empirical evidence a few hypotheses derived from the empirical implications of the model above. The key overall expectation is that incumbent politicians who themselves are not compromised will under fairly broad circumstances refrain from implementing transparency regimes. We argue that such conditions have obtained in Post-Communist Europe, where successor communist parties have on a number of occasions secured enough legislative seats to lead cabinets after 1990, which is the year by which a majority of these countries transitioned to democracy.

In addition, the Post-Communist scenario pertains to the situation where both leaders of the opposition are on the same (right) side of the median voter in a general left-right policy space, with the successor communist party on the left side of the median.

Our first expectation based on our model is to see fewer transparency regimes during the periods successor communist incumbents are leading cabinets compared to periods when they are in the opposition.

As a second step, we refine this expectation in line with the comparative static expressed in Propositions 1. Recall, that according to this proposition, there exists a critical point in the issue space such that for any moderate leader of the opposition to the right of that point, the incumbent stands to benefit from a non-transparency regime over a transparency regime. Hence, we expect that as the moderate opposition leader becomes more moderate, transparency regimes become delayed or are replaced by non-transparency regimes.

As a third step, we refine this expectation in line with the comparative static expressed in Proposition 2, according to which there exists a range of incumbents that will benefit from a non-transparency regime relative to a transparency regime. This range characterizes an incumbent that is neither too moderate nor too extreme.

We will illustrate these regularities with data on transparency regimes and on party positions supplemented with data on vote shares and governing status.

There are also a few theoretical results that we do not illustrate empirically. For instance, we do not test hypotheses corresponding to Proposition 3. Based on this proposition, we expect that as the proportion of collaborators among the opposition increases, the implementation transparency regimes will be delayed or these regimes will be replaced by a non-transparency regime. The reason we do not attempt to collect data on the proportion of former secret police collaborators among the opposition (represented in the model as  $\mu$ ) is that ultimately, this data is too difficult to find. Since the nature of this collaboration with the authoritarian regime is secret, unless a transparency regime is established we have no evidence of it. Hence, the comparative static on the proportion of collaborators remains as a theoretical-only result.

## 4.1 Operationalization of model parameters

In order to test the hypotheses outlined above, we propose variables to operationalize:

1. Whether the incumbent has selected a transparency regime or is retaining post-authoritarian non-transparency (represented in the model by the difference in the incumbent's expected payoff under the non-transparency and transparency regime:  $EU_I(x_O^*|N) - EU_I(x_O^*|T)$ );
2. How moderate is the leader of the opposition closer to the median ( $x_O^M$  in the model);
3. How moderate or extreme is the incumbent (represented in the model by  $x_I$ ).

As explained above, we limit our universe of cases to Post-Communist countries where we believe that the proportion of secret collaborators should, roughly, be similar. These are European Post-Communist countries that remained under the Soviet influence from 1946 through 1989 and were later admitted to the EU: Poland, Hungary, Slovenia, Bulgaria, Estonia, Latvia, Lithuania, Romania, Croatia, Czech Republic, and Slovakia.

Our data come from several sources. The first is the Global Transitional Justice Dataset (GTJD). This dataset will be the source of our key dependent variable—the change in transparency from a more transparent to a less transparent regime. The GTJD is a time series created for 84 countries that transitioned to democracy from authoritarianism or civil war between 1946 and 2016. From this set, we present the 11 Post-Communist countries alongside 50 other countries that transitioned from authoritarian rule (thus, excluding Post-Conflict cases of transparency). The rationale behind this restriction is that only formerly authoritarian countries will have successor authoritarian parties, who we argue illustrate the incumbents that are certain to not have *kompromat* against themselves. To measure the level of a transparency regime, we use GTJD’s variable “severity of lustration” (Bates, Cinar and Nalepa, 2019).

Figure 5 below reports lustration severity for those countries in the Global Transitional Justice Dataset that had a score greater than zero.

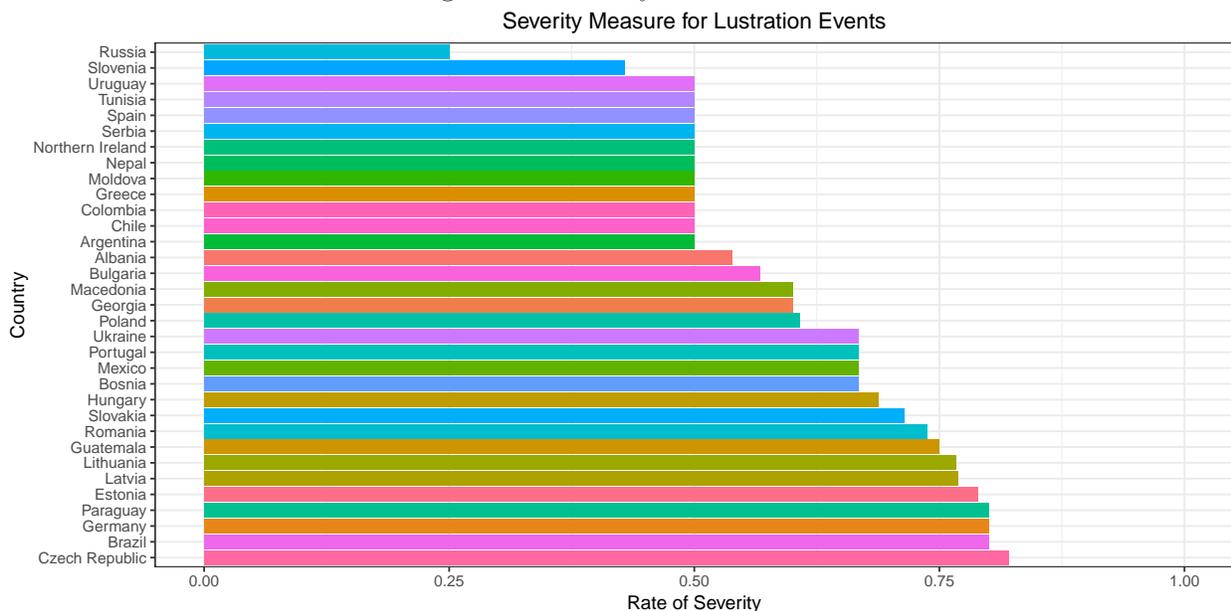
The severity scores used about was originally developed by Ang and Nalepa (2019) and is a measure of transitional justice intensity that simply takes the ratio of positive lustration events to total transitional justice events.<sup>14</sup>

This variable provides a transparency score between 0 and 1 for each of the 61 post-authoritarian countries. It was created by coding as an annual panel all lustration-related events taking into consideration whether they move the transparency process forward (positive events) or backward (negative events). It is defined as:

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<sup>14</sup>Technically, the measure adds 1 to the denominator to avoid undefined values for countries that had no events.

Figure 5: Severity of lustration



$$S = \frac{\sum_{T=0}^N P_T}{\sum_{T=0}^1 (P_T + N_T) + 1}$$

where  $T = N$  is 2016 or the last year of the democratic spell before the country's reversal to authoritarian rule,<sup>15</sup>  $T = 1$  is the first year following the country's transition with a progressive personnel transitional justice event, and  $T^1$  is the first year following the country's transition.<sup>16</sup>

$S$  assumes the value of zero when a country has no positive TJ events or when it had exactly as many positive events as negative events. The measure will approach the value of 1 as more events are positive relative to all events; it will approach 0 as more events in the dataset are negative.

Figure 5 shows that there is considerable variation in the Post-Communist cases when it comes to transparency regimes: from low values in Slovenia and Croatia (which is not even

<sup>15</sup> $T^N$  need not be the same as 2016, as illustrated by the case of Thailand, which experienced a military coup in 2014.

<sup>16</sup>In countries like Thailand,  $T^1$  will be subtracted from the year of the authoritarian reversal rather than from 2016.

even listed, as it had 0 lustration events and severity's of zero have been omitted) to Estonia and Latvia who have some of the most extreme severity scores among all post-authoritarian states.

Additionally, Figure 5 can illustrate why collecting transparency regime data as a time series is justified. Transparency regimes may be implemented in the immediate aftermath of transition Elster (2004), but they may also be significantly delayed. Indeed the presence of countries with delayed transitional justice in the figure indicates just how much information would be sacrificed by ignoring transparency regimes implemented decades following the transition.<sup>17</sup>

The second source of our data is the Chapel Hill Expert Survey where we have obtained information about political parties, their positions on the general left-right dimension, their vote share, and their government status. We collected data on policy positions in electoral terms between 1991 and 2017. The total number of such party-terms was 577. Of these 20 cases offered insufficient data to reconstruct a complete electoral term, so they were dropped.<sup>18</sup>

This produced 23 electoral terms during which a Post-Communist incumbent was in office. Of these, in three instances, CHES data was only available for one other party in addition to the incumbent (Croatia's 1990 term Bulgaria's 1990 term and Bulgaria's 1991 term).

For the remaining 20 cases, for each country-term, we located the position of the incumbent and the median on the left right dimension (based on the positions of all parties for

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<sup>17</sup>Among the countries where one had to wait very long for transparency regimes to be implemented are Spain, where the 1977 Amnesty Law prevented any attempts of uncovering the atrocities committed by the Franco regime (Aguilar, 2012) and Colombia, where human rights violations associated with the civil war were not prosecuted and kept secret for so long that it warranted an open letter published in daily newspapers by the Office of the Prosecutor of the ICC (Urueña, 2017). Similarly, in Northern Ireland, skeletons in the closet from the time of the so-called "Troubles" were sealed to remain secret as part of the peace process known as the Good Friday Agreements. What is even more interesting is that these promises remained enforced, even following the demobilization of the rebels and the withdrawal of the paramilitaries (Rolston, 2006).

<sup>18</sup>The CHES expert survey only asks experts about the positions of the most popular parties, but for several Post-Communist electoral terms, those parties were not actually the ones that receive the highest vote share.

which experts were surveyed in that term), and the positions of the two opposition parties with the two highest vote shares. The opposition party closest to the median was labeled the moderate opposition, corresponding to  $x_O^M$  in the model; the opposition party further away from the median was labeled the extreme opposition, corresponding to  $x_O^E$  in our model.

Finally, we use the GTJD to measure severity of transparency regimes focusing on lustration in the four-year intervals corresponding to the CHES survey intervals. These severity scores are then compared to equivalent severity scores but during periods when authoritarian incumbents were out of office (by taking the average). A comparison consistent with our model's predictions is a severity score which is lower when the successor communist incumbent is in office. The results of such a comparison are reported in the empirical appendix. Out of the 20 cases, 13 are consistent with this prediction, three are inconsistent and another three did not satisfy a key assumption of the model (having a viable moderate opposition).

In order to account for  $\theta$  we also record the voteshare of both opposition parties. This exercise again led us to curtail our set of cases further: of the three cases incompatible with our model, we eliminated another two: although the moderate opposition was moderate enough, its vote share was so low relative to the extreme opposition party that comparative statics on  $\theta$ , expressed in the analysis leading up to proposition 2, would lead us to moderate our expectation regarding maintaining a non-transparency regime. Indeed, in these circumstances, chances of the moderate opposition winning are so slim, that the incumbent has nothing to lose from a transparency regime.

In Lithuania in 2006, the moderate opposition was further away from the median than the incumbent (1.23625 in contrast to 1.09625); in Bulgaria in 2006, the opposition was moderate (with a distance to the median of 0.342857), but the incumbent was extreme to the right (2.427143). According to proposition 2 in such a situation, the incumbent loses anyway-with or without the transparency regime. This is indeed what happened. 2006 was the final. There are also two terms. For instance, in Poland in 1996, the opposition was not very moderate compared to the incumbent. This means that the incumbent probably did

not have to avoid a transparency regime in order to secure reelection. Indeed, in 1997, the successor communist party passed a lustration law. Similarly, in Lithuania, in 2002, the vote share of the moderate opposition was very low compared to the extreme opposition. In light of such a low  $\theta$  in the language of our model, the incumbent would not need a transparency regime to avoid the threat from the moderate opposition because this threat was already low. Indeed, during that term the Lithuanian incumbents passed a lustration law, which is reflected in our data.

After eliminating from consideration these additional cases, figure 6 below summarizes the ones that comply with our predictions. Next to each country and electoral term year in the heading of the sub-figures is the difference in the severity of the transparency regime in terms when the incumbent was the successor communist party and the severity of transparency regimes in terms when a different incumbent was in office. The data used to create this figure is provided in the empirical appendix.

After accounting for the nuances of our model—such as the effects of  $\theta$ , the probability that the opposition is moderate rather than extreme and the effects of location of the moderate opposition vis a vis the location of the incumbent—we are left with 14 cases that are fully compliant with the conditions of our model: the cases represented in Figure 6. Of those fourteen the severity of transparency was lower when incumbents were in office in thirteen electoral terms. The only case that does not fit our predictions is Hungary in 2002, where the successor communist MDSz embarked on a transparency regime campaign despite our predictions that it should refrain from doing so. Yet the motivation behind Hungary's lustration law was very specific. Early in 2001, after the Hungarian Socialist Party secured an electoral victory, *Magyar Nemzet*, a leading Hungarian daily broke the news that Imre Medgyessy, the newly appointed Prime Minister had collaborated with the secret police under communism. While this was true, in order to clear his name or rather present his collaboration in more favorable light, his party passed a law exposing all collaboration with the secret police of other politicians. Following the revelations, as predicted, Medgyessy's act

indeed appeared less controversial. In light of these events, we believe that this one instance where the empirical events do not corroborate our model's story is not an insurmountable problem for the logic behind the adoption of transparency regimes we propose in our model.

Before turning to the conclusion, it is worth reflecting on the kind of empirical test, corroboration or even illustration that our theoretical model allows. Our theoretical analysis takes place at the level of political leaders. Such leaders only have the opportunity to implement or not implement transparency regimes when in power. A change in leadership can occur every 4 years and we are limited to countries that are post-authoritarian. In addition, our model places restrictions on the kinds of cabinets that fulfill our predictions. First, they must be led by incumbents who are certain to not have skeletons; second there must be uncertainty about the ideal point of the opposition challenger, a situation that is only possible when there are at least two such viable opposition parties. Above, we have shown how from a universe of 577 parties the set of cases for which we can formulate precise predictions reduces to just 14 cabinets. This set is obviously too small to run large  $n$  regressions. At the same time, it should not relieve researchers from the pressure of providing evidence. Our medium  $n$ -analysis has a clear advantage over case study analysis that "cherry picks" cases so the narrative matches the model. It also has an advantage over large- $n$  analysis, which would require us to include units of analysis that clearly do not match the model's restrictions.

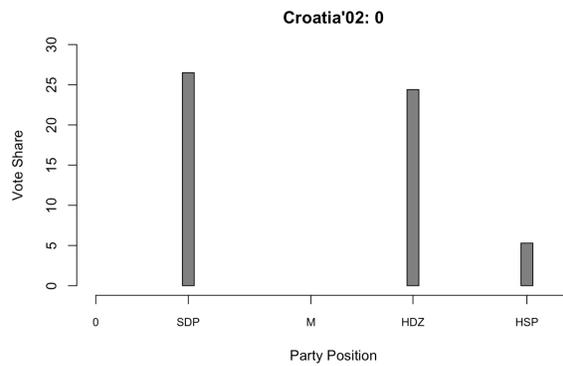
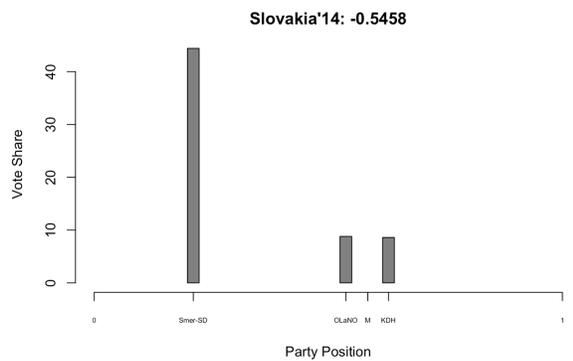
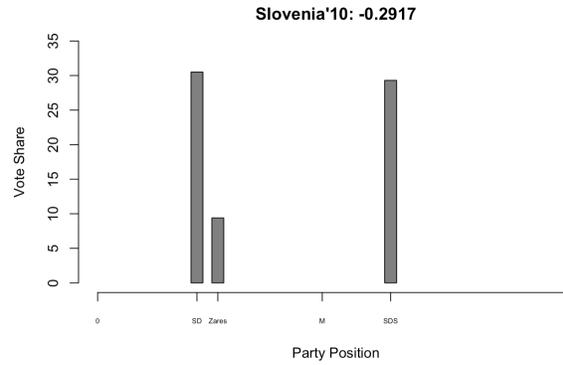
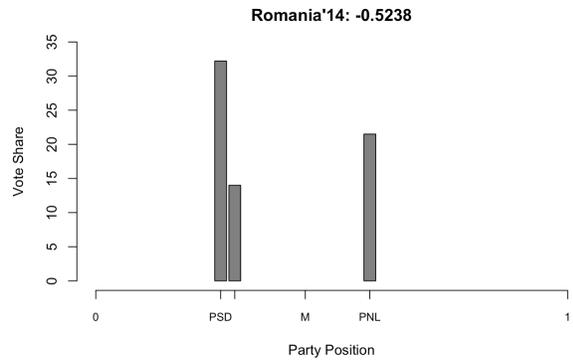
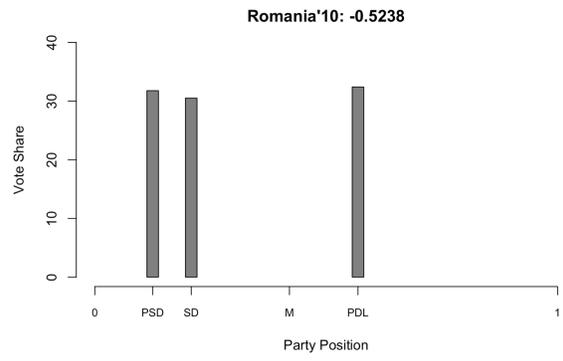
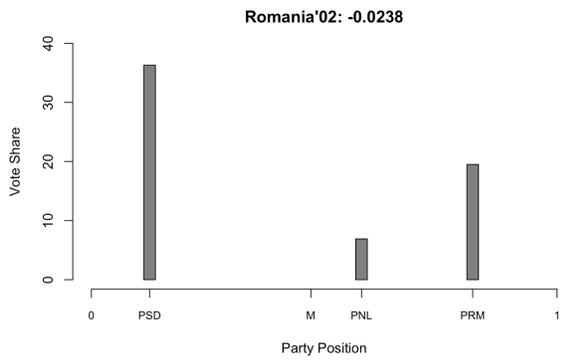
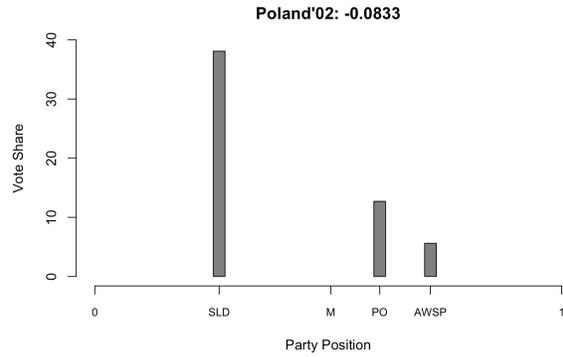
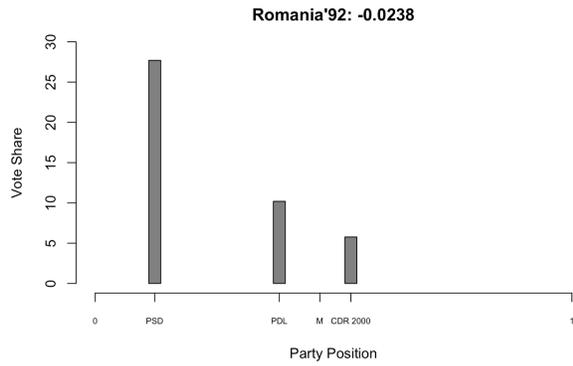
## 5 Conclusion

Transparency regimes are rare even though they are frequently less costly than punitive or compensatory forms of transitional justice. Revealing the truth of secret authoritarian legacies should be easier than holding trials of perpetrators of human rights violations or compensating victims for harm they suffered or for property that was expropriated from them. Yet in the aftermath of transitions to democracy we see considerably fewer attempts

to lustrate and create truth commissions than to implement trials and purges.

This is puzzling in light of the fact that some political actors should stand to gain from revealing skeletons in the opposition's closet (namely, those not tainted by *kompromat*). In this paper we present a mechanisms that can account for the delay or even absence of transparency regimes. Our argument rests on the electoral advantage that uncompromised incumbents gain when they allow compromised challengers to be blackmailed by those who threaten to reveal *kompromat*. Blackmailers originating in the former security apparatus extort policy concessions from challengers who have skeletons in the closet and these policy concessions make the challengers so unattractive to the median voter that the incumbent is able to solidify his power. We show that non-transparency regimes are more likely to persist when the proportion of collaborators from the former authoritarian regime is large and as the moderate opposition challenger moves closer to the median voter and is more likely to. The first result is robust to changing the structure of ideal points of the players and both are robust to introducing uncertainty around the specific location of the median.

Our results explain the puzzling restraint of successor authoritarian parties in revealing to the electorate that the heroes of the democratic transition were infiltrated with agents of the former security apparatus. This explanation is more general than strategic preemption (Kaminski and Nalepa, 2014) or the slippery slope hypothesis, whereby lustrations and truth commissions would morph into punitive forms transitional justice that could hurt successor autocrats.



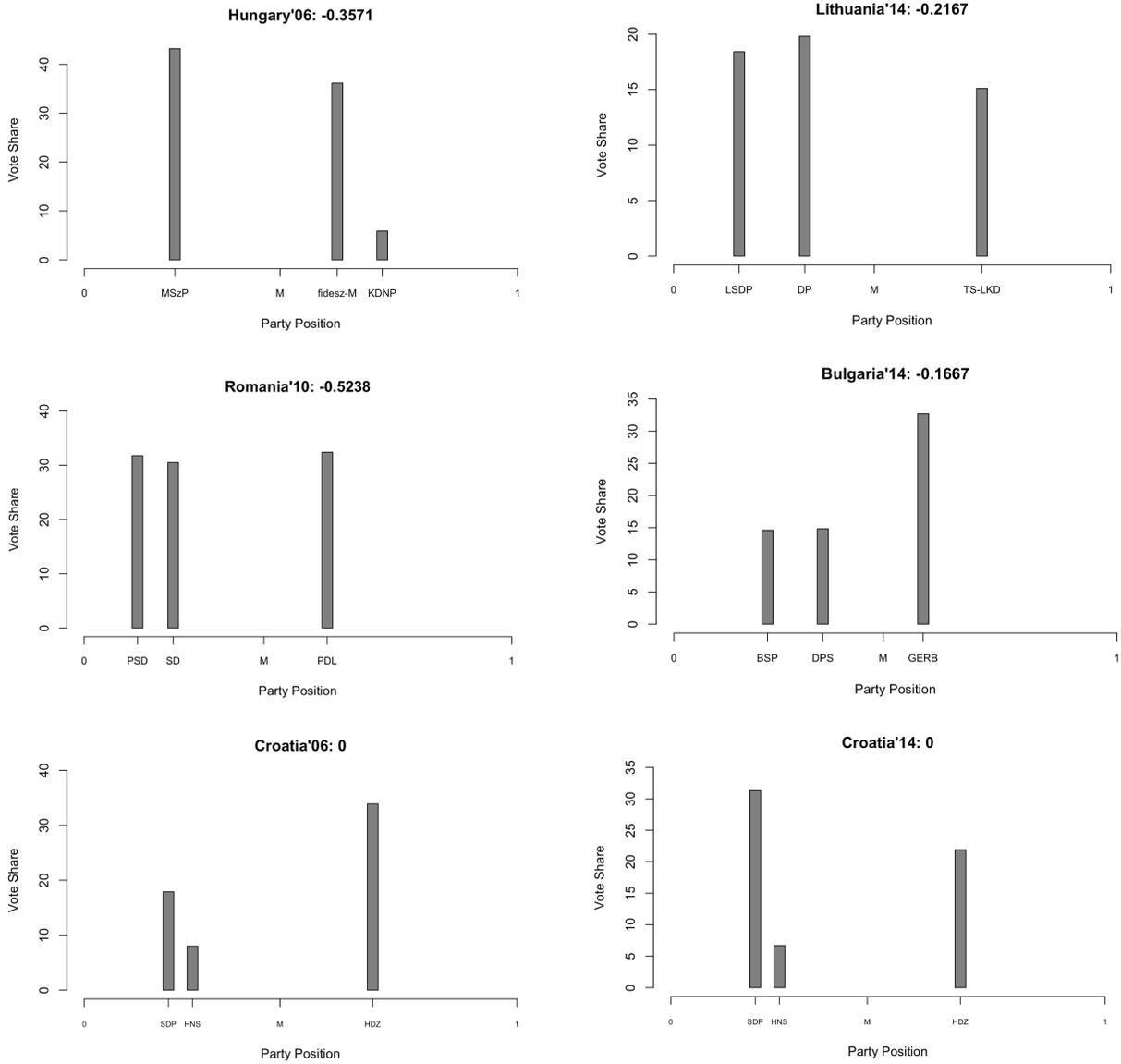


Figure 6: vote shares and locations in the general left-right policy space of successor communist incumbents (to the left of the median, M) and two opposition challengers: moderate and extreme

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# Appendix

## A1 Formalities of the Game

The set of **Players** is given by:

$N = \{I, O, M, B\}$ . The ideological type of the opposition player is unknown to anyone but the  $O$  himself and the typespace is given by:

$T = \{FL, L\}$ , where  $Pr(x_O^E) = 1 - \theta$  and  $Pr(x_O^L) = \theta$ . In addition,  $O$  may be compromised, creating a crosscutting typespace orthogonal to  $T$ : Let  $k \in K = \{0, 1\}$  represent the presence or absence of kompromat. Then  $Pr(k = 1) = \mu$  and  $Pr(k = 0) = 1 - \mu$

Only  $B$  and  $O$  know the value of  $k$ .

Players have ideal points  $x_B, x_O^E, x_O^L, x_M, x_I$  in  $S$ , the policy space, and we assume that  $x_M = 0, x_B < x_O^E < x_O^L < 0 < x_I$  and that  $x_I > |x_O^L|$

Players' **strategies** are defined as follows:

$S_B = \{R \subset S : \text{if } x_O \in R \text{ then } B \text{ releases kompromat}\}$  is the blackmailer's strategy set;

$S_I = \{T, N\}$ , where  $T$  refers to transparency regime and  $NT$  refers to non-transparency regime, is the strategy set of the Incumbent;

$S_O = \{f : T \times K \rightarrow S\}$  is the strategy set of the opposition challenger (it is a function that assigns a policy from  $S$  to every combination of ideological type and kompromat type).

$S_M = \{(x_I, x_I), (x_I, x_O), (x_O, x_O), (x_O, x_I)\}$  is the strategy set of the median voter, where the first element of the pair represents  $M$ 's choice under Transparency and the second element of the pair represents  $M$ 's choice under the Non-Transparency regime.

Also an important part of the equilibrium will be beliefs of the median voter:  $Pr(x_O = x_O^L | x_O)$  and  $Pr(x_O = x_O^E | x_O)$  as well as  $Pr(k = 1 | x_O)$  and  $Pr(k = 0 | x_O)$ .

**Preferences** are Euclidean and given by:

$u_i(x) = -|x - x_i|$ , where  $i = I, M, B$  In addition, for  $O$ , the utility function is given by:

$u_O(x) = -|x - x_O^T| - F * b * k$ , where

$$b = \begin{cases} 1 & \text{if } x_O \in A \\ 0 & \text{if } x_O \notin A \end{cases}$$

We construct the following equilibrium. Assume that  $\theta \in \left(\frac{x_I - x_O^E}{x_O^L - x_O^E}, \frac{x_I - x_O^E}{(x_O^L - x_O^E)(1 - \mu)}\right)$ . The following strategies and beliefs are in a semi-pooling PBE.

- $s_I^* = NT$
- $s_M^* = (x_O, x_I)$
- $x_O^* = \begin{cases} x_O^E & \text{if } k = 1 \text{ and } T = L \\ x_O^E & \text{if } T = FL \\ x_O^L & \text{if } T = L \text{ and } k = 0 \end{cases}$
- $s_B^* = (x_O^E(1 - \theta) + x_O^L\theta, \infty)$
- $Pr(x_O = x_O^L | x_O^L) = 1$

- $Pr(k = 1|x_O^L) = 0$
- $Pr(k = 0|x_O^L) = 1$
- $Pr(k = 1|x_O^L) = 0$
- $Pr(k = 1|x_O^E) = \frac{\mu\theta}{(1-\theta)+\mu\theta}$
- $Pr(k = 0|x_O^E) = 1 - \frac{\mu\theta}{(1-\theta)+\mu\theta}$
- $Pr(k = 1|x_O \notin \{x_O^E, x_O^L\}) = 1$

# Empirical Appendix



