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How Does Kompromat Affect Politics?
A Model of Transparency Regimes

Monika Nalepa and Konstantin Sonin
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Monika Nalepa and Konstantin Sonin
University of Chicago
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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 simple model where both the incumbent (who decides whether to implement a transparency regime) and voters know that the opposition politician may be compromised and that a strategic blackmailer may release the *kompromat*. In equilibrium, the incumbent strategically opts for a non-transparency regime that would keep skeletons in the closet: it is easier to run against a maybe-tainted opponent. We corroborate our results with data from the Global Transitional Justice Dataset.

Keywords: transitional justice, transparency regime, blackmail, signaling.

JEL Codes: P26, D83.
1 Introduction

New democracies do not emerge in a vacuum. Legacies of former authoritarian states persist in the new polity in the form of unsettled scores of human rights abuses, former security agency staff members, and former secret police archives listing collaborators 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, 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). 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 literature on democratization and regime transitions in general have expressed skepticism about policies punishing autocrats for human rights abuses committed in the past. Snyder and Vinjamuri (2004) argue 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”. Holmes (1994) calls some forms of transitional justice “witch hunts”. Cepl (1992) refers to such acts as “ritual sacrifices”. Even Huntington (1993) maintains that sometimes “amnesty...is necessary to establish a new democracy on a solid basis”. Implicit in this classic literature is an understanding of transitional justice as a punitive process. Born out of this understanding is the use of the term “retroactive justice” as synonymous with transitional justice (Rev, 2005).

Crucially, 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 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, or 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 classical critiques of

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1This will at times require the lifting of statutes of limitation for crimes whose statutes of limitation have already expired.
transitional justice. 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 implicitly assumes 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 the median voter than non-transparency regimes would.

However, while transparency regimes are better for democracy than a lack of transparency would be, this alone does not imply that 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 purge adoption relative to that of 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 does. 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 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. This figure makes clear 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 implementing 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 voters suspect that challengers can be blackmailed with kompromat concerning the latter’s past collaboration. Thus, our model both shows 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, in line with reasoning above, makes two assumptions: first, the surfacing of kompromat instantly destroys the career prospects of the compromised politician; second, 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 transparency is 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—such as collaborated with the security police prior to the transition—in the past. Hence, this is a model of kompromat (Darden, 2001).

The economics of blackmail have long been a domain of legal scholarship (Coase, 1988; Posner, 1993; Shavell, 1993). Shavell and Spier (2002), analyzing blackmail in the absence of binding commitment, demonstrated that if carrying out a threat is costly for the blackmailer, then extracting a payment from a victim is impossible even in an infinite-horizon setting. (In a finite sequential game, the victim would not pay in a subgame-perfect equilibrium regardless of whether the blackmailer gets a positive or negative utility from releasing the kompromat). Schwarz and Sonin (2008), in both a discrete- and a continuous-time model, demonstrated that the blackmailer could extract the total surplus from the victim by using randomized punishments. In our model, the blackmailer is successful in extracting policy concessions from the compromised winner of elections because for him it is subgame-perfect to release the kompromat if the concession is not made. At the same time, the extent of the policy concession is limited by the fact that if the politician concedes too much, the voters
recognize that the politician is compromised even if kompromat is not released, and remove the politician from office.

The rest of the paper is organized as follows. Section 2 briefly reviews the literature on transitional justice. Section 3 presents our theory. After solving the baseline model, we relax some of the simplifying assumptions. In particular, we consider the probabilistic version of the model and re-order the ideal point of the blackmailer vis-à-vis that of the incumbent. In Section 4, we illustrate the comparative statics of our model with originally collected data from the Global Transitional Justice Dataset combined with several variables from the Chapel Hill Expert Survey. Section 5 concludes.

2 What We Know About Transitional Justice

Thus far, to explain delays in the implementation of transparency regimes, scholars have focused on structural explanations.\(^2\) These explanations have included a focus on the severity of the preceding authoritarian regime (Olsen, Payne and Reiter, 2010), but also on the fact that often in the aftermath of transition to democracy, successor authoritarian parties are elected into office (Grzymala-Busse, 2002).\(^3\) Some recent contributions to the dynamics of transitional justice have focused on the leverage that outgoing elites have when negotiating the transition to democracy (Przeworski, 1991; Albertus and Menaldo, 2014). In recent influential work, Helmke, Jeong and Ozturk (2019) have demonstrated that prosecuting former executives is more effectively explained by electoral competition than by rule of law considerations. These works suggest that transitional justice is avoided by post-authoritarian incumbents when 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; Kamin-

\(^2\)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).

\(^3\)For instance, Grzymala-Busse (2002) argues that in Post-Communist Europe, former authoritarian elites’ “usable” skills allow them to form successful successor authoritarian parties.
ski and Nalepa, 2014). Information about collaboration with the secret police of the ancien régime cannot hurt former authoritarian elites: 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 these collaborators’ political careers. Hence, the delay or virtual absence of transparency when successor autocrats (or other parties who have no skeletons in the closet\textsuperscript{4}) are in power 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.

Formal models of transitional justice generally fall into two categories. The first studies the extent to which 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. Our model expands the set of strategic actors who are affected by kompromat. For instance, we interpret concessions towards the blackmailing party as being potentially 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 knows whether or not 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) has recently argued that 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 couple d’état but risking resistance from below.

2. They can invest in strong state security at the risk of empowering a strong competitor.

Dragu and Lupu (2018) use a coordination game with incomplete information to show that, paradoxically, repression is most likely to hinge on expectations and become a coordination

\textsuperscript{4}For instance, Nalepa (2010) describes 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.
game when authoritarian leaders need it most (when dissent against them is at its highest). While in Dragu and Lupu (2018), the autocrat’s dilemma is limited to the authoritarian regime, Tyson (2016) extends the consequences of the autocrat’s actions and the consequences of actions of his agents of repression beyond the authoritarian regime, allowing for transitional justice. He models 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 is itself a subject of strategic choice in our model.

Hubert and Little (2019) draw on both of these strands of transitional justice literature and 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 it focuses on consequences rather than origins of kompromat. Our blackmailer cannot generate kompromat, yet he can use it to force compromised politicians into making concessions. Also, voters and their ability to update beliefs about the probability that they are represented by a compromised politician play a key role in our model. Indeed, we show that any general model of kompromat must have at least four cross-cutting types that allow the voter’s uncertainty to translate into a blackmailer’s leverage over politicians. First, there must be compromised and uncompromised politicians. Second, there must be uncertainty about the uncompromised politician’s true policy preferences. Otherwise, any deviation from the uncompromised politician’s ideal policy would expose the elected leader as compromised.

3 The Model

In our model, there is an incumbent who is currently in power but facing an election. Before the election, she has an opportunity to implement a transparency regime. As our goal is to explain why even politicians who are not themselves compromised might shield those who
are from a transparency regime, we can think of the incumbent as the successor autocrat. This part of her identity is relevant to the extent that she is not compromised by working for the secret police. Authoritarian elites collaborated with regime openly, and no secrets regarding this collaboration that could compromise them further (Elster, 2012). In contrast, members of the opposition were constantly recruited (with varying success) to serve as secret police informers as the secret police attempted to gather information on dissident activities.\footnote{Without any loss of generality, the successor autocrat could be a reformed communist party member. In this case, the ideal points of both a moderate- and extreme-type opposition challenger would be on the right side of the political spectrum.}

### 3.1 Formal Setup

There are four strategic players with preferences over the uni-dimensional policy space $\mathbb{R}$: an incumbent, $I$, with ideal point $x_I > 0$, an opposition challenger, $O$, with ideal point $x_O < 0$, the voters represented by the median voter, $M$, with ideal point $x_M = 0$, and a blackmailer, $B$, with ideal point $x_B < x_O$.

Politicians cannot commit to policies: once in office, they do what is optimal for them.\footnote{This assumption is not necessary; it is a straightforward exercise to extend the model to allow politicians to commit to policies in one-dimensional policy space.} The incumbent has policy preferences $U_I = -|x - x_I|$, and her ideal policy $x_I > 0$ is known to voters.

The opposition leader’s preferences are $U_O = -|x - x_O|$. While the policy 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 voters nor the incumbent know with certainty the challenger’s type. 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 focus on the most interesting case, when $x_I > |x_O^M|$; in this case, the incumbent would lose elections to the opposition leader if the latter is known with certainty to be the moderate type.

There is also a second layer of uncertainty concerning the opposition leader: 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 \textit{ex ante} correct expectations about the probability $\mu$ that the challenger is compromised. The opposition leader himself knows his own type with certainty. We assume that regardless of
the policy that he implements, the opposition leader prefers to stay in office. Additionally, all players are aware of a blackmailer who, if the opposition leader is compromised, is in a position to publicly disclose the compromising information. The blackmailer’s policy preferences are $U_B = -|x - x_B|$ with $x_B < x_E$.

Voters’ preferences are represented by a median voter with the ideal point $x_M = 0$ and the utility function $U_I = -|x|$. In addition to these policy preferences, voters care whether or not the politician is compromised. If an elected leader is compromised with probability $p$ (which is determined endogenously in equilibrium), then the voters suffer the additional disutility of $p\varepsilon$ if they retain the leader and the additional disutility of $(1 - p)D$ if an uncompromised leader is removed. We assume $\varepsilon > 0$ to be close to zero to reflect that the voters prefer, ceteris paribus, an uncompromised leader; yet it is voters’ policy preference that is of the first order.\(^7\)

In contrast, the disutility of removing an innocent and duly elected leader, $D > 0$, is substantial. In new elections that follow the removal of the elected leader, the new opposition leader is drawn from the same ideological type distribution as previously; in other words, there is probability $\theta$ that he is moderate, and a probability $1 - \theta$ that he is extreme.\(^8\)

The timing of the game is as follows.

**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.

\(^7\)In assuming that information about kompromat affects the voters’ welfare, we follow established political economy scholarship according to which voters are better off making electoral decisions when more information is available to them (Penn, 2016).

\(^8\)The results will not qualitatively change if we assume that the opposition leader in the new elections might be compromised as well. In fact, the equilibrium path in this new game will be the same. However, assuming that the new elections do not feature compromised challengers greatly simplifies the algebra; otherwise, we would need to describe a game with a possibility, albeit an increasingly slim one, of infinite recursion.
4. If the winner is the opposition leader, who is compromised, the blackmailer decides whether or not to release the *kompromat*.

5. Observing the policy choice by the winner and the published kompromat, the voters update their beliefs about the winner’s type and decide whether or not to remove the winner from office. If the winner is forced to resign, new elections are held with the opposition leader drawn from the same (policy preferences) type distribution.

6. Pay-offs are received.

Our equilibrium concept is the sequential equilibrium (Myerson, 1990), in which voters form their beliefs about the type of the winner of elections on the basis of his policy choice and on whether kompromat has been released. Among the sequential equilibria, we select the one that satisfies a criterion based on the stability concept (Kohlberg and Mertens, 1986). Essentially, an equilibrium that survives the stability requirement remains an equilibrium in any game that can be obtained from the initial game by eliminating weakly dominated pure strategies (see Myerson, 1990, Theorem 5.7).

### 3.2 Analysis

Players’ strategies are characterized formally in the Appendix, where we also construct a unique sequential equilibrium that survives elimination of weakly dominated strategies. Here, we convey the intuitive solution.

We proceed backwards, starting from the final stage of the game. Suppose that the opposition leader has won. First, when voters observe that the blackmailer releases kompromat, they know with certainty ($p = 1$) that the elected leader is compromised. In this case, removal of the leader results in new elections with opposition candidates drawn from the same distribution, which is strictly preferred by the voters.

If the kompromat is not released, the only information that the voters can use to update their beliefs is the elected leader’s policy choice. The equilibrium selection criterion that we use requires players to avoid using (weakly) dominant strategies (Theorem 5.7 in Myerson, 1990). Thus, if the opposition politician elected into office is not compromised, she will choose $x_o^\dagger = x_i^\dagger$, $i \in \{E, M\}$, his true preference.

However, if the elected opposition leader is compromised, he faces different incentives because 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

$$-E |x_{new}^O - x_B| = -(1 - \theta) |x_{E}^O - x_B| - \theta |x_{M}^O - x_B| > - |x_{M}^O - x_B| ;$$

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 who is elected does not want to be exposed, so he will choose $x_{O}^*$ accordingly. If he chooses anything other than $x_{M}^O$ or $x_{E}^O$, he exposes himself as compromised because the non-compromised politician has no incentives to choose anything but his true preferences if the equilibrium satisfies the stability criterion. Since the blackmailer prefers the extreme left among the two possible policy choices, the compromised moderate chooses $x_{E}^O$. Otherwise, the blackmailer would release the kompromat. Summing up, since any policy choice but $x_{M}^O$ or $x_{E}^O$ reveals that the politician is compromised, in an equilibrium that satisfies the stability criterion, the compromised politician chooses $x_{E}^O$ regardless of his true type and the blackmailer stays silent.

Thus, if the policy choice is $x_{M}^O$, the voters know that the elected leader is uncompromised ($p = 0$). If the policy choice is $x_{E}^O$, then, using Bayes’ formula, we find that the voters believe that the elected leader is compromised with probability

$$p = \frac{\mu}{\theta \mu + 1 - \theta}.$$

Given our assumptions about voters’ payoffs, they would not remove the elected leader from office unless they are sure that he is compromised.$^9$

Moving backwards, consider the choice of the median voter (with ideal point $x_{M} = 0$) at the voting stage. Voting for the incumbent gives the median voter $-x_{I}$, while voting for the opposition leader results in $x_{O}^M$ with probability $\theta(1 - \mu)$ and $x_{E}^O$ with probability $\theta \mu + (1 - \theta)$. That is, the expected utility of voting for the opposition leader if there is no transparency

$^9$When the probability that the elected leader is compromised is $p > 0$, the expected payoff of removal is $(1 - p)D + \theta x_{M}^O + (1 - \theta) x_{E}^O$, while the expected payoff of keeping the leader is $x_{E}^O - p\epsilon$. For any level of disutility of removing the duly elected leader, $D$, there exists a threshold $\bar{p}$ such that for any $p < \bar{p}$, the leader is not removed. We focus on combinations of parameters that guarantee that $\frac{\mu}{\theta \mu + 1 - \theta} < \bar{p}$. 
is:

\[ Eu_M(x^*_O|N) = x^M_O(1 - \mu) + x^E_O(\theta + (1 - \theta)). \]

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

\[ u_M(x_I) = -x_I < x^M_O(1 - \mu) + x^E_O(\theta + (1 - \theta)) = Eu_M(x^*_O|N). \]

Finally, when do we expect the incumbent leader to choose transparency? Empirically, this would entail 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 the voter knows with certainty that the opposition leader running for office is uncompromised. In this case, the median voter’s expected utility of voting for the opposition leader is

\[ Eu_M(x^*_O|T) = x^M_O + x^E_O(1 - \theta), \]

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

\[ u_M(x_I) = -x_I < Eu_M(x^*_O|T) = x^M_O + x^E_O(1 - \theta). \]

Now, if

\[ Eu_M(x^*_O|N) < u_M(x_I) < Eu_M(x^*_O|T), \] (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, she implements her ideal policy. Figure 2 illustrates this situation.

The conditions described in expression (1) are equivalent to the pair of inequalities

\[ x_I < -x^M_O(1 - \mu) - x^E_O(\theta + 1 - \theta). \] (2)

and

\[ x_I > -x^M_O - x^E_O(1 - \theta) \] (3)

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 intuitive.

Start with (3). As $-x_O^M < x_I$ by assumption, there exists $\tilde{\theta} < 1$ such that for any $\theta \in [\tilde{\theta},1]$, condition (3) 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 (2) 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.

![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 an incumbent victory increase.](image)

In Figure 2, 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 voter’s utility from the policy of the moderate opposition leader, about which the median voter cannot be sure). Condition (1) is represented by the two red lines that correspond to the payoff of the median voter from voting for the opposition under non-transparency (bottom red) and transparency (top red) line.

Proposition 1 formally summarizes the above analysis.

**Proposition 1** There exists a pair of thresholds $\tilde{\theta}$, $0 < \tilde{\theta} < 1$, and $\tilde{\mu}$, $0 < \tilde{\mu} < 1$, in the opposition-type space such that for any pair of parameters $(\theta, \mu)$ where $\theta \in [\tilde{\theta},1]$, $\mu \in [0, \tilde{\mu}(\theta)]$, there exists a unique sequential equilibrium of the game satisfying the stability criterion. In this equilibrium, the voters remove the elected leader from power unless he chooses either $x_O^M$ and $x_O^E$ as the policy choice, the blackmailer releases kompromat unless the compromised opposition leader chooses $x_O^E$, the opposition leader chooses his ideal point if not compromised and chooses the extreme left position $x_O^E$ if compromised, and the incumbent chooses not to implement the transparency regime.
Figure 3: Comparative statics with respect to the ideal point of the moderate opposition leader, $x_O^M$. Under the transparency regime, the incumbent loses to all opposition challengers with moderate positions to the right of the green line.

One immediate corollary is that a transparency regime, if implemented, would improve social welfare. Under transparency, the concern that the opposition leader running for office is compromised disappears. As a result, a moderate opposition leader would defeat the incumbent, increasing the voters’ welfare. Without transparency, the outcome is inferior.

3.3 Comparative Statics

What happens when the probability that the politician is compromised, $\mu$, increases? Does a more centrist incumbent have stronger incentives to implement a transparency regime? In this subsection, we explore the comparative statics of the model.

Figure 3 illustrates the simple comparative statics with respect to $\mu$, the probability that the opposition leader is compromised. An increase in $\mu$ leads to a decrease in $Eu_M(x_O^*|N)$. In Figure 3, an increase in $\mu$ shifts the bottom red line down because of an increase in the probability that the compromised moderate opposition leader mimics the extreme type in order to avoid having kompromat exposed. In other words, when the the opposition leader is more susceptible to being compromised, the incumbent’s advantage from non-transparency increases.

The next figure, Figure 3, addresses the question of how the location of the moderate opposition leader affects the choice of transparency regime. To see this, let $x_O^M$ vary between $x_O^E$ and $x_M = 0$. The median’s expected payoff from the non-transparency regimes when the moderate opposition leader overlaps with the median’s ideal point is $(1 - \theta + \theta \mu) x_O^E$ (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 location of the moderate
opposition overlaps with the extreme opposition, then the utility of the median is simply $x_E^O$. Because 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 median voter’s (red) utility function and the blue line orthogonal to the policy space, extending from $x_E^O$. The lower blue line corresponds to a transparency regime, whereas the higher blue line corresponds to nontransparency 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 3), at which the incumbent prefers non-transparency to transparency can be found by simply setting $EU_M(x_O^*|N) = \theta(1 - \mu)x_O^M + (1 - \theta + \theta\mu)x_E^O$ equal to $x_I$ and solving for $x_O^M$. After solving for this expression, we arrive at the following:

**Proposition 2** 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 incumbent.

How does the location of the incumbent’s ideal point affect her decision to implement a transparency regime? Figure 4 illustrates the logic behind the answer to this question, while Proposition 3 presents the results formally.

For the non-transparency regime, the median voter’s payoff from voting for the opposition challenger, $Eu_M(x_O^*|N)$, goes through the red line between points A and B as $\theta$ changes from 0 to 1. In the case of transparency, the median voter’s payoff from voting for the opposition challenger, $Eu_M(x_O^*|T)$, goes through the blue line between points A and C as $\theta$ changes from 0 to 1. In 4, for some fixed intermediate $\theta$, we can represent the median voter’s payoff under the non-transparency regime with the red dashed line and under the transparency regime (that same intermediate $\theta$) with the blue dashed line. To determine which decision
is more beneficial to the incumbent, these payoffs are compared to \(-x_I\), which corresponds to the median’s utility from reelecting the incumbent.

How low can \(\theta\) be for the incumbent to benefit from non-transparency relative to transparency? We can calculate this \(\theta\) as follows. 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 voter is better off when it is more likely that the moderate opposition wins. Hence, there exists \(\tilde{\theta}\) such that for any \(\theta > \tilde{\theta}\), the incumbent loses under transparency but wins under the non-transparency regime. This is the case because the median prefers the lottery between \(x^E_O\) and \(x^M_O\) with probabilities \((1 - \theta)\) and \(\theta\), respectively, to the incumbent’s ideal point. On the other hand, to the left of \(\tilde{\theta}\), the median prefers the incumbent under both transparency and non-transparency regimes. The specific value of \(\tilde{\theta}\) is given by the solution to the expression

\[-x_I = \theta x^M_O + (1 - \theta) x^E_O.\]

We conclude that to the left of \(\tilde{\theta}\), the incumbent does not care for the nature of the regime, though to the immediate right of it she prefers non-transparency. In addition, there exists a \(\theta > \tilde{\theta}\) such that for every \(\theta > \tilde{\theta}\), the incumbent loses under both transparency and non-transparency because the median prefers the lottery between \(x^M_O\) and \(x^E_O\) this time with weights that include \(\mu\). \(\bar{\theta}\) is the solution to

\[-x_I = \theta(1 - \mu)x^M_O + (1 - \theta + \theta \mu)x^E_O.\]
The relationship between $\theta$ and $\bar{\theta}$ is given by

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

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

**Proposition 3** Define the set $NT^I \equiv \{x_I | -\theta x^M_O - (1 - \theta)x^O_O \leq x_I \leq -\theta(1 - \mu)x^M_O - (1 - \theta + \theta\mu)x^E_O \}$. 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, $\theta$, that the opposition challenger is in fact moderate.

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 $-\theta x^M_O - (1 - \theta)x^E_O$ win under both transparency and non-transparency regimes. In light of this, such incumbents have no particular incentives for maintaining transparency. However, incumbents with ideal points close to the median and hence characterized by $x_I \leq \theta x^M_O - (1 - \theta)x^E_O$ should be more prevalent (given that they emerge victorious in elections). At the same time, incumbents with ideal points greater than $-\theta(1 - \mu)x^M_O - (1 - \theta + \theta\mu)x^E_O$ will lose under both regimes and so do not have a preference for one over the other; such incumbents should be more rare. We conclude the baseline model by pointing out that the effect of changes in $x_I$ is not monotonic, 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 ($x^*_M$) by a random variable distributed uniformly over $[-\frac{1}{23}, \frac{1}{23}]$.

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 consequences of 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 \( x_B < x_E^O < x_M^O < 0 < x_I \); assume also that \( x_M \sim U \left[ -\frac{1}{2\delta}, \frac{1}{2\delta} \right] \), 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 \( x_M^O < -\frac{1}{2\delta} < 0 < \frac{1}{2\delta} < x_I \).

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

\[-|x^*_O - x_B| < -|x_E^O - x_B|(1 - \theta) - \theta|x_M^O - x_B|. \tag{4}\]

Thus, the blackmailer does not reveal kompromat if \( x^*_O = x_E^O \), but reveals it whenever it is in his possession and \( x^*_O = x_M^O \).

Recall, as before, that for the uncompromised politician, choosing anything but his ideal point is dominated by choosing his ideal point. Given this, in the equilibrium we construct, the compromised politician must select a policy from the set \( \{x_E^O, x_M^O\} \). For any other values and beliefs, other policy choices can never be a part of an equilibrium that satisfies the stability criterion because the voters would immediately know that these choices were made by a compromised politician. Moreover, choosing \( x_M^O \) would result in the release of kompromat by the blackmailer, so the compromised politician chooses \( x^*_O = x_E^O \) regardless of his type.

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

\[x_M < \frac{x_I + x_M^O \theta (1 - \mu) + x_E^O (1 - \theta + \theta \mu)}{2}.\]

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

\[p_{NT} = \frac{1}{2} + \frac{x_I + x_M^O \theta (1 - \mu) + x_E^O (1 - \theta + \theta \mu)}{2} \delta.\]

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

\[x_M < \frac{x_I + x_M^O \theta + x_E^O (1 - \theta)}{2},\]
which implies a probability of defeating the incumbent under transparency of

\[ P^T = \frac{1}{2} + \frac{x_I + x_M^O \theta + x_E^O (1 - \theta)}{2} \delta. \]

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, the remaining task is to calculate her expected utility conditional on losing under the transparency and non-transparency regimes:

\[
EU_I(x^*_O | NT) = -(x_I - x^M_O) \theta (1 - \mu) - (x_I - x^E_O)(1 - \theta + \theta \mu), \\
EU_I(x^*_O | T) = -(x_I - x^M_O) \theta - (x_I - x^E_O)(1 - \theta),
\]

(here, the expectation is taken with respect to the opposition politician’s type). Clearly, the incumbent would prefer losing under transparency to losing under non-transparency as under the transparency regime, she is more likely to lose to the moderate opposition.

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

\[
EU_I(NT) = P^{NT} \times EU_I(x^*_O | NT)
= \left( \frac{1}{2} + \delta \frac{x_I + x_M^O \theta (1 - \mu) + x_E^O (1 - \theta + \theta \mu)}{2} \right) \left( -(x_I - x^M_O) \theta (1 - \mu) - (x_I - x^E_O)(1 - \theta + \theta \mu) \right).
\]

and under the transparency regime is:

\[
EU_I(T) = P^T \times EU_I(x^*_O | T)
= \left( \frac{1}{2} + \delta \frac{x_I + x_M^O \theta + x_E^O (1 - \theta)}{2} \right) \left( -(x_I - x^M_O) \theta - (x_I - x^E_O)(1 - \theta) \right).
\]

Now we may ask: when does the incumbent choose transparency? There is a trade-off because while the probability of winning is higher under non-transparency, the incumbent prefers losing under transparency to losing under non-transparency.

The incumbent’s preference for non-transparency, \( EU_I(NT) \geq EU_I(T) \), boils down, after simplification, to a condition on the probability that the opposition leader is compromised:

\[
\mu \geq \bar{\mu} = 2 - 2 \theta (x_E^O - x_M^O), \quad (5)
\]

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Proposition 4 states formally the existence and comparative statics results for the case of an uncertain position of the median voter.

**Proposition 4** (i) For any incumbent’s ideal point \( x_I \), opposition ideal points \( x^M_O \) and \( x^E_O \), and the probability of the opposition being moderate \( \theta \), there exists a critical probability that the opposition leader is compromised, \( \overline{\mu} \geq 0 \), defined in (5) such that for any \( \mu \geq \overline{\mu} \), the incumbent will prefer to refrain from a transparency regime.

(ii) The threshold \( \overline{\mu} \) 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 (a smaller \( \delta \)). When the distance between \( x^M_O \) and \( x^E_O \) increases, the range for transparency regimes becomes narrower.

The first part of Proposition 4 states that for higher levels of compromised opposition challengers, the incumbent will prefer non-transparency. Hence, relaxing the assumption that the median’s position is known does not weaken the result demonstrated earlier: the more compromised politicians there are, the less likely we are to see a transparency regime put in place. Although theoretically intuitive—the more likely it is that the opposition is compromised, the higher the chances are moderate leaders will behave like extreme leaders and make themselves unattractive to the median, preserving the incumbency advantage—this result is normatively unsettling. the robustness of this result means that the greater the normative needs for transparency (because of a greater number of compromised politicians), the less likely compromised politicians are to be exposed. Countries that need transparency most are least likely to get it.

The second part of the proposition describes what affects the critical level of kompromat above which the incumbent will choose non-transparency. What increases the threshold is the proportion of moderate opposition challengers; what decreases the threshold is uncertainty around the median. These comparative statics results are also intuitive. When there is a higher proportion of moderate opposition challengers, the median voter sacrifices more by reelecting the incumbent (recall that he prefers by assumption a moderate opposition challenger to the incumbent as long as he is not compromised). At the same time, an increase in the distance between the two opposition challengers decreases the threshold, which makes non-transparency more prevalent. This is intuitive as the fall out from compromised politicians is more dramatic when the swing to mimic the extreme opposition challenger is
greater. The incumbent exploits the median’s fear that voting for the opposition might place policy considerably further away from the median’s ideal point.

3.5 Heterogeneous Opposition

A potential limitation of the basic setup analyzed above is that it assumes that the incumbent and the blackmailing 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 such divergent preferences?

It is important to point out that since the period under investigation is post-authoritarian, there is no reason to expect that the ideal points of the former security apparatus worker with access to sensitive information and of the incumbent should be proximate to each other.\(^{10}\) However, to check the robustness of our basic model, in this subsection, 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, \(x_B < x^L_O < x_I < x_M < x^R_O\). We will focus on the range of parameters for which \(|x_M - x_I| > |x_M - x^R_O|\), in other words, where the incumbent would lose elections to the right-wing type of the opposition leader.\(^{11}\)

\(^{10}\)Another justification for the assumption of divergent preferences between the blackmailer and the incumbent identifying with the successor party is based on the work of Chestnut Greitens (2017). According to Chestnut Greitens, the main threat faced by the autocrat is from members of the ruling coalition. Coup-proofing concerns incentivizes 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.

\(^{11}\)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.
As before, the blackmailer releases the kompromat if and only if

\[-|x^*_O - x_B| < -\theta |x^L_O - x_B| - (1 - \theta) |x^R_O - x_B|.

Again, if the opposition leader is not compromised, upon winning elections, he will choose \(x^*_O = x_O\), his true preference; in equilibrium, the compromised politician in power, not wanting to be exposed, chooses \(x^*_O = x^L_O\), as choosing \(x^*_O = x^R_O\) 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 \(-|x^*_L_O - x^*_M|\) with probability \(\theta + (1 - \theta) \mu\) and \(-|x^*_R_O - x^*_M|\) with probability \((1 - \theta)(1 - \mu)\). That is, the expected utility of voting for the opposition leader if there is no transparency is

\[Eu_M(x^*_O|N) = -|x^L_O - x_M| \theta - |x^R_O - x_M| (1 - \theta) (1 - \mu).\]

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

\[Eu_M(x^*_O|T) = -|x^L_O - x_M| \theta - |x^R_O - x_M| (1 - \theta),\]

and the median voter 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

\[Eu_M(x^*_O|N) < u_M(x^*_I) < Eu_M(x^*_O|T).\] (6)

Conditions (6) are equivalent to

\[x^*_M - x^*_I < (x_m - x^L_O) (\theta + (1 - \theta) \mu) + (x^R_O - x^*_M) (1 - \theta) (1 - \mu)\] (7)
\[
(x_M - x^I_O) \theta + (x^R_O - x_M) (1 - \theta) < x_M - x_I.
\] 

(8)

Beginning with (8), note that by assumption \(x^R_O - x_M < x_M - x_I\). Thus, there exists \(\theta > 0\) such that for any \(\theta \in [0, \tilde{\theta}]\), condition (8) is fulfilled. Now, fix any such \(\theta \in [0, \tilde{\theta}]\). As \(x_M - x^I_O > x_M - x_I\), 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 make satisfying (7) easier for any \(\theta\) that satisfies (8). That is, we have 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 (the year by which a majority of these countries had 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.

The first expectation we make based on our model is to see fewer transparency regimes when successor communist incumbents are leading cabinets than when they are in the opposition.

As a second step, we refine this expectation in line with the comparative static expressed in Proposition 2. 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 3, 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 illustrate these regularities with data on transparency regimes and party positions, supplemented with data on vote shares and governing status.

We do not illustrate all of our theoretical results. For instance, we do not test hypotheses corresponding to Proposition 4. Based on this proposition, we expect that as the proportion of collaborators among the opposition increases, the implementation of 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 statics with respect to the proportion of collaborators remains a purely theoretical 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 regimes: \( EU_I(x^*_O|N) - EU_I(x^*_O|T) \));

2. How moderate the opposition leader closer to the median is (\( x^M_O \) in the model);

3. How moderate or extreme the incumbent is (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 be relatively 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, the 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 transparency, we use GTJD’s “severity of lustration” variable (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.

![Figure 5: Severity of lustration](image)

Our severity scores were originally developed by Ang and Nalepa (2019) as a measure of transitional justice intensity. 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
\[ S = \frac{\sum_{T=0}^{N} P_T}{\sum_{T=0}^{1} (P_T + N_T) + 1} \]

where \( T = N \) is 2016 or the last year of the democratic spell before the country’s reversal to authoritarian rule,\(^{12}\) \( T = 1 \) 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.\(^{13}\)

\( S \) assumes the value of zero when a country has no positive TJ events or when a country has 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 among transparency regimes across Post-Communist cases, from low values of severity in Slovenia and Croatia (the latter is not even listed, as it had zero lustration events, and severities of zero have been omitted from the figure) to high values in Estonia and Latvia, which have some of the most extreme severity scores of all post-authoritarian states.

Additionally, Figure 5 illustrates 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.\(^{14}\)

The second source of our data is the Chapel Hill Expert Survey, from which 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

\(^{12}\) \( T^N \) need not be the same as 2016, as illustrated by the case of Thailand, which experienced a military coup in 2014.

\(^{13}\) In countries like Thailand, \( T^1 \) will be subtracted from the year of the authoritarian reversal rather than from 2016.

\(^{14}\) Among the countries where one had to wait long for transparency regimes to be implemented are Spain, where the 1977 Amnesty Law prevented any attempts to uncover atrocities committed by the Franco regime (Aguilar, 2012), and Colombia, where human rights violations associated with the civil war were not prosecuted and were kept secret long enough to warrant 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. Even more interestingly, these promises remained enforced even following the demobilization of the rebels and the withdrawal of paramilitaries (Rolston, 2006).
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.\footnote{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 to receive the highest vote share.}

This procedure produces 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 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 $x^M$ in the model; the opposition party farther away from the median was labeled the extreme opposition, corresponding to $x^E$ 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 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 that is lower when the successor communist party is not the incumbent. 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). The results are summarized in Figure 6 below.

In order to account for $\theta$, we also record the votes share 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 two more based on the following reasoning: although the moderate opposition was moderate enough, its vote share was so low relative to that of the extreme opposition party that comparative statics on $\theta$, expressed in the analysis leading up to Proposition 3, 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.

The eliminated cases in question are Lithuania in 2006 and Poland in 1996. In Lithuania
in 2006, the moderate opposition was farther away from the median than the incumbent (1.23625 in contrast to 1.09625); in Poland in 1996, the opposition was also not very moderate compared to the incumbent. This meant that the incumbent in all likelihood did not have to avoid a transparency regime in order to secure reelection. Indeed, in 1997, the successor communist party passed a lustration law. Two more cases that do not fit the model’s restrictions are Bulgaria in 2006 and Lithuania in 2002. 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 3 in such a situation, the incumbent loses anyway—with or without the transparency regime. This is indeed what happened. 2006 was the final year when BSP was in office. In Lithuania in 2002, the vote share of the moderate opposition was very low compared to that of 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; this is reflected in our data.

After eliminating from consideration these additional cases, Figure 6 summarizes the ones that comply with our predictions. The sub-figure headings feature the country name, electoral term year, and the difference in transparency regime severity in terms when the incumbent was the successor communist party and when a different incumbent was in office. The data used to create this figure are 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 the location of the moderate opposition vis-à-vis the location of the incumbent—we are left with fourteen cases that are fully compliant with the conditions of our model: these cases are 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 in 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 Peter Medguessy, 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, to present his collaboration in a more favorable light—his party passed a law exposing all collaboration with the secret police by 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.

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 on 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 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 (specifically, these actors are those not tainted by kompromat). In this paper, we present a mechanism 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; 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 include secret police collaborators. The first result is robust to changing the structure of the players’ ideal points, 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 by agents of the former security apparatus. This explanation is more general than strategic preemption or the “slippery slope” hypothesis, whereby lustrations and truth commissions would morph into punitive forms of 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
References


Tyson, Scott A. 2016. “The agency problem underlying the use of repression.”.

Appendix

The formalities of the game are as follows. The set of Players is \( \{I, O, M, B\} \). The ideological type of the opposition player is unknown to anyone but the \( O \) himself and the typespace is given by:

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

Only \( B \) and \( O \) know the value of \( k \).

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

Players’ strategies are defined as follows:

\[
S_B = \{R \subseteq S: \text{ if } x_O \in R \text{ then } B \text{ releases kompromat}\} \quad \text{is the blackmailer’s strategy set;}
\]

\[
S_I = \{T, NT\}, \quad \text{where } T \text{ refers to a transparency regime and NT refers to a non-transparency regime, is the strategy set of the Incumbent;}
\]

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

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

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:

\[
u_i(x) = -|x - x_i|, \quad \text{where } i = I, M, B \quad \text{In addition, for } O, \text{ the utility function is given by:}
\]

\[
u_O(x) = -|x - x_O^E| - F \cdot b \cdot k, \quad \text{where}
\]

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

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

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

A-1
- $Pr(k = 1|x_O^L) = 0$
- $Pr(k = 1|x_O^E) = \frac{\mu}{(1-\theta) + \mu \theta}$
- $Pr(k = 1|x_O \notin \{x_O^E, x_O^L\}) = 1$
Table A-1: Severity of Transparency Regimes under Successor and non-Successor Incumbents

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Table A-2: Severity of Transparency Regimes under Successor and non-Successor Incumbents (Continued)

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