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ORIGINAL PAPER

Barriers to institutional convergence in Europe

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Abstract

Why do some dimensions of governance converge across countries while others persistently diverge? We argue that convergence depends on what reform puts at stake: institutions that build state capacity usually face little resistance from incumbent elites, while those that redistribute political power often encounter more opposition. We order five World Bank governance indicators along this spectrum and, for 41 European countries over 1996–2024, identify Phillips–Sul convergence clubs and link club membership to pre-1996 elite-power concentration. The gap between a dimension's best and worst club widens with the stakes: Government Effectiveness forms a single club, Voice and Accountability splits into three plus divergent cases, and the others fall in between. Where reform redistributes power, countries with more concentrated elite power often end up in lower-performing groups, especially for accountability and, to a lesser extent, for regulatory quality. Among EU members, similarities in accountability predate accession, pointing to ex ante selection rather than harmonization.

Keywords Quality of government · The European Union · Public institutions · Club convergence analysis

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1 Introduction

Why do some governance institutions converge across countries while others persistently diverge? Although institutions are widely recognized as fundamental determinants of economic performance (North 1990; Acemoglu et al. 2001; Rodrik et al. 2004), cross-country differences in institutional quality have proven remarkably durable (Acemoglu and Robinson 2008). This persistence is puzzling, given that countries should presumably converge toward arrangements that promote growth. Part of the answer may lie in the frictions generated by the heterogeneity of institutional dimensions themselves: administrative capacity has improved broadly across many regions, yet democratic accountability displays striking divergence, with some countries consolidating liberal institutions, while others experience sustained backsliding (Levitsky and Way 2002). This asymmetric picture suggests that institutional convergence is not a unitary phenomenon and that different types of institutions may follow systematically different trajectories.

A substantial literature documents persistent cross-country differences in governance quality. Early work, such as La Porta et al. (1999), identified core components of government performance, while later studies explored colonial history (Acemoglu et al. 2001), social capital (Knack and Keefer 1997), and ethnic fragmentation (Easterly et al. 2006). Major measurement frameworks, such as the Worldwide Governance Indicators, conceptualize governance across multiple dimensions (Kaufmann et al. 2011), and recent research further decomposes accountability and state capacity (Lührmann et al. 2020; Hanson and Sigman 2021). A more recent strand studies institutional convergence directly, testing for β- and σ-convergence (Savoia and Sen 2016) and examining whether euro-area institutions converge (Beyaert et al. 2019; García-Solanes et al. 2023). A related approach uses the Phillips–Sul log-t test (Phillips and Sul 2007, 2009) to sort units into convergence clubs, and then regresses club membership on initial conditions, such as human capital and income, to identify what predicts the club a unit ends up in (Bartkowska and Riedl 2012). Overall, the literature still lacks a deeper analysis of the proximate determinants of club memberships.

To study why public governance dimensions evolve unevenly, we focus on how reforms affect each one. No reform of public governance is purely technical or politically neutral, but its impact on a given dimension of institutional quality depends on the extent of political power it redistributes. Accordingly, the dimensions can be ordered along a spectrum of increasing political impact on the ruling elites. At the low end, reforms that build administrative capacity and improve public-service delivery enhance state effectiveness without threatening incumbent power; indeed, a more capable bureaucracy typically strengthens those who control it. At the high end, electoral accountability, civil liberties, and press freedom redistribute power from incumbents to challengers, imposing direct costs through closer scrutiny and the prospect of losing office. Between these poles lie reforms that strip regulatory rents from protected producers and reforms that dismantle the patronage and

selective enforcement on which entrenched networks depend. This asymmetry generates systematically different reform dynamics: low-stakes reforms diffuse broadly, because they cost incumbents little, while high-stakes reforms meet organized resistance from those who stand to lose. Even when formal rules change, elites can invest in clientelism, media capture, or judicial manipulation to offset reforms that threaten their position (Acemoglu and Robinson 2008). For the same reason, elite power tends to persist: a country's concentration of power at the start of the period continues to shape its institutional trajectory, even as formal rules change.

To empirically test our framework, we apply the Phillips and Sul method to account for deep, unobserved country heterogeneity and identify convergence clubs that share common dynamic paths. We then use a direct measure of political-power distribution from the V-Dem archive to explain club membership across and within the various dimensions of governance captured by the WGI.

Two predictions follow. First, the gap between a dimension's highest- and lowest-quality clubs should widen as the reform's threat to elite power rises. Second, where reform redistributes political power, countries whose elites held more concentrated power at the start of the period should sort into lower-quality clubs, an association that should strengthen with the stakes and weaken on Regulatory Quality, whose stakes are more economic than political.

We test our predictions using the WGI Indicators for 41 European countries over 1996–2024 (Kaufmann et al. 2011). Europe provides an appropriate setting, because analyzing convergence requires countries to be sufficiently similar to make comparison meaningful yet sufficiently heterogeneous to exhibit variation in outcomes. Europe satisfies both conditions, sharing broad cultural and economic features while displaying substantial diversity in governance trajectories, from consolidated Nordic democracies to post-Soviet states experiencing democratic backsliding. To assess convergence, we adopt the Phillips–Sul framework, which allows for transitional heterogeneity and nonstationarity. Our approach is explicitly descriptive: we document patterns and assess their consistency with theoretical predictions, but make no causal claims.

Our results reveal three main patterns. First, convergence aligns with the political stakes of reform: Government Effectiveness, which poses the least threat to elites, converges fully across all countries. In contrast, Voice and Accountability, which most directly challenges elite power, shows the widest divide—some countries strengthen democracy, while others regress. The other governance dimensions display intermediate levels of convergence, with the gap between high- and low-performing groups widening as political stakes increase. Second, countries with more concentrated elite power at the outset tend to end up in lower-performing groups when reforms redistribute political power, especially for Voice and Accountability. This link weakens for Regulatory Quality, which is less politically charged. Third, EU member states are most similar to each other in Voice and Accountability, but this similarity predated accession, indicating selection rather than convergence after accession.

The article makes two novel contributions. Theoretically, we connect the type of governance institution to its pattern of convergence, deriving testable predictions from the logic of elite resistance. Empirically, we provide two different tests of the

framework: the gap between clubs widens across dimensions in the predicted order, and baseline elite concentration predicts club membership where political power is at stake. Our findings also clarify the role of regional integration: EU members tend to be closer on democratic accountability even before accession, suggesting that selection, rather than harmonization, drives this similarity, while reforms of more technical governance dimensions face lower frictions.

The remainder of the paper is organized as follows. Section 2 develops the conceptual framework and derives predictions. Section 3 describes the data and provides descriptive evidence. Section 4 presents the convergence analysis. Section 5 examines elite concentration and club membership. Section 6 discusses the findings. Section 7 concludes.

2 Conceptual framework

Public governance encompasses distinct institutional dimensions that often evolve asymmetrically. A country may strengthen its bureaucratic capacity while simultaneously eroding democratic accountability: the mismatch is evident in contemporary Europe, where democratic backsliding undermines transparency but can leave day-to-day administrative functions intact (Bauer 2021; Bakke and Sitter 2020). The relative autonomy of governance dimensions raises a question about *cross-national convergence*: if dimensions move independently *within* countries, do they still converge toward shared institutional outcomes *across* countries? To explain when convergence happens, we rank each governance dimension along a *spectrum* based on a single question: *Does reform in that dimension redistribute political power?*

At the low end of the spectrum lie technical dimensions: reforms to administrative organization and public-service delivery do not directly threaten incumbents' hold on power or mobilize opposition; indeed, greater state capacity may strengthen regime stability and electoral performance (Andersen et al. 2014; Seeberg 2019). At the high end lie political institutions, like electoral systems, civil liberties, and a free press, whose reforms directly redistribute power from incumbents to competing actors, generating identifiable losers and, therefore, systematic resistance (Fernandez and Rodrik 1991). Moreover, when reforms alter de jure political power, as in democratization, incumbents invest in de facto power through lobbying, clientelism, media capture, and related instruments to offset institutional change (Acemoglu and Robinson 2008).

By applying the technical/political gradient to the Worldwide Governance Indicators (WGI), we rank four distinct positions along the spectrum. Ordered from the lowest to the highest threat to incumbent power, these are:

- *Government effectiveness* (the bureaucratic channel): Improves recruitment, training, and service delivery. Resistance here comes from civil servants protecting jobs and budgets (Hanson and Sigman 2021).
- *Regulatory quality* (the regulatory-capture channel): Opens protected markets, threatening the specific economic rents of incumbent firms and tied regulators (Stigler 1971; Peltzman 1976).

- *Control of corruption and rule of law* (the clientelistic channel): Impacts the ruling network's discretion to reward allies and denies access to friendly courts (Cruz and Keefer 2015; Mungiu-Pippidi 2014a).
- *Voice and accountability* (the competitive-electoral channel): Represents the highest end of the spectrum, as electoral and media reforms outright threaten incumbents' tenure (Besley 2007).

Reforms that threaten incumbents actually challenge the broader ruling elite. Where wealth or dominant-group status confers disproportionate political power, elites face higher stakes and possess a greater capacity to block reform, but where power is more widely shared, resistance weakens. To capture the distribution of political power, we define the Elite Power Concentration Index (EPCI), based on two Varieties of Democracy indicators that measure how closely political power tracks wealth and group status (Coppedge et al. 2025).

While our empirical analysis cannot isolate elite resistance from other deep determinants of long-run institutional configurations, it can assess whether observed patterns align with the framework's predictions, providing a disciplined lens for interpreting European institutional trajectories. Europe provides an instructive empirical setting, because it combines sufficient homogeneity for meaningful comparison with substantial heterogeneity in governance outcomes, and elite-power concentration itself varies widely across the continent. Also, the presence of regional integration through the EU, a supranational system of shared legal institutions and coordination, adds an external driver of change. Accession to the EU is not a randomly assigned treatment; rather, the process actively filters candidate countries. While the Copenhagen criteria establish various institutional prerequisites, democratic accountability emerges as the most salient selection mechanism for our analysis, effectively captured by the Voice and Accountability indicator (Schimmelfennig and Sedelmeier 2004; Vachudova 2005). Because this filter favors highly accountable states, and the *acquis communautaire* further drives harmonization prior to accession, accepted members should already cluster high on this dimension before formally joining. This dynamic directly aligns with our elite-cost framework: the selection process systematically excludes resistant countries with wide accountability gaps, leaving successful candidates with a naturally narrow variance.

Other theoretical approaches to public governance imply alternative forms of country sorting. Comparative-capitalism theories argue that firms coordinate across complementary institutions in production, finance, training, and industrial relations (Hall and Soskice 2001), while welfare regimes reflect stable coalitions over the extent to which social rights protect citizens from market dependence and social stratification (Esping-Andersen 1990). Thus, these theories predict persistent country groupings rooted in institutional complementarities and social coalitions, though they classify countries along different axes than those defined by our channels. Nonetheless, the empirical section examines whether the observed clubs resemble the comparative-capitalism country typologies.

2.1 Empirical implications

Our empirical approach starts from a key feature of public governance data: variation is mainly cross-sectional. In the WGI dataset, countries tend to keep their relative positions over time, while year-to-year changes are small compared with differences across countries (Kaufmann et al. 2011). This pattern is consistent with path-dependent accounts of institutional change: once institutional arrangements are selected at contingent junctures, self-reinforcing mechanisms can make reversal difficult (Mahoney 2000; Pierson 2000; Roland 2004; Thelen 1999). Even when institutions change, they often do so gradually, through layering, drift, conversion, or displacement rather than abrupt convergence (Mahoney and Thelen 2009): formal rules may change quickly, but the underlying informal constraints and power relations usually do not, so measured governance moves slowly even after legal reform (North 1990; Persson and Tabellini 2021). As the full set of deep factors that determine a country's long-run quality of governance is unobservable, and no unified, validated theory of governance change exists, we choose to focus on a single mechanism, the concentration of elite power, and our evidence stays descriptive, not causal. Our independent variable, elite-power concentration, is itself one of these inherited features: countries with more concentrated elites in the early 1990s were, as a rule, also countries with weaker governance at the outset.

We adopt the club convergence approach to capture a sensible fraction of the unobserved cross-country heterogeneity (Phillips and Sul 2007, 2009). Instead of sorting countries by their current WGI scores, the method groups them by the long-run equilibria their trajectories approach, which aligns with our focus on enduring differences shaped by elite resistance. The distinction between de jure and de facto power further supports this choice: a reform may change the formal rules without altering who actually holds power, and this difference is most difficult to discern at the moment of adoption (Acemoglu and Robinson 2008; Andrews et al. 2017; Hallward-Driemeier and Pritchett 2015). A reform adopted in form but neutralized in practice need not move a country's long-run position, whereas one that genuinely redistributes power may. The club that a country's trajectory approaches is therefore the natural object for a framework about enduring power configurations.

The logic connecting elite resistance to convergence clubs is straightforward: when reform costs are low, countries adopt similar institutional improvements, producing (weakly) convergent trajectories. Conversely, when reform costs are high, domestic political equilibria shaped by elite-power configurations persist, so countries follow separate trajectories that the Phillips–Sul algorithm groups into distinct clubs, each settling at its own long-run level. The framework thus predicts that the separation between clubs will scale with the political stakes of each dimension, mapping into the following expected ordering:

$$\mathrm{GE} \;\leq\; \mathrm{RQ} \;\leq\; \mathrm{CC} \approx \mathrm{RL} \;\leq\; \mathrm{VA}.$$

Our framework generates two main predictions regarding institutional convergence: one across governance dimensions and one within them.

P 1 *The gap between the highest and lowest clubs' long-run levels within a given dimension will widen as the reform's threat to elite power increases.*

Crucially, this prediction focuses on the distance between long-run equilibrium levels, rather than the absolute number of clubs identified by the clustering procedure.

P 2 *When reforms threaten to redistribute political power, countries with greater elite concentration are more likely to sort into lower-quality clubs, and this association strengthens as the stakes of reform rise.*

When elites block reforms that would reduce their power, countries fall behind their peers and end up in lower-performing clubs. This dynamic explains why the gap between clubs widens most in dimensions where reforms threaten political power. Accordingly, we expect the weakest association at the low-stakes end of the spectrum: Government Effectiveness, where capacity-building does not directly redistribute power, and Regulatory Quality, whose stakes are economic rather than political. Because a country's elite concentration and its initial governance level move together, we cannot isolate the elite effect within a single dimension; instead, we rely on the ordering across dimensions.

3 Data and descriptive evidence

3.1 Data and measurement

Public governance, in the World Bank's definition, is the set of inherited practices and formal institutions through which public authority is acquired, monitored, and exercised, spanning the selection of rulers, the state's capacity to implement policy, and mutual respect for the rules governing economic and social life (The World Bank 2025). We employ WGI indicators for three main reasons: broad coverage (over 200 economies), five indicators that map onto the framework's governance domains (Appendix Table 7), and explicit uncertainty quantification for each observation (Kaufmann and Kraay 2024; The World Bank 2025; Kaufmann et al. 2011).

The World Bank constructs WGI variables as standardized z-scores, with zero representing the world average; accordingly, most observations fall between -2.5 and $+2.5$. Throughout, we treat WGI scores as noisy proxies for institutional quality. Following World Bank recommendations, descriptive statistics use inverse-variance weights $w_{it} = 1/\mathrm{SE}_{it}^2$; the Phillips–Sul convergence test uses the underlying series directly, since no established weighted version exists. Prior to 2002, the WGI were published biennially; cubic spline interpolation fills the resulting gaps, which originate from the publication schedule rather than from country-level measurement failures.

3.2 Country coverage and grouping

The dataset covers the European area as defined by the World Bank. We include Western Europe and Eastern Europe/former Soviet Union, retaining Armenia and Turkey given their European institutional ties. We exclude microstates (San Marino, Monaco, Andorra, Liechtenstein) and countries with incomplete time series (Serbia, Montenegro). We treat the United Kingdom as an EU member through 2020. The final dataset comprises 41 countries forming a strongly balanced panel for 1996–2024; Appendix Tables 9 and 8 list these countries with their EU status and accession year. Regarding EU membership, the analysis classifies countries into three groups: *Historical Members* (joined before 1996), *Entrants* (joined 2004–2013), and *Outsiders* (never members).

3.3 What the indicators actually measure

Each WGI dimension aggregates up to 35 underlying data sources through an Unobserved Components Model (UCM) that assigns each source a precision weight (The World Bank 2025). A source contributes one averaged signal per dimension. The World Bank classifies sources as representative or non-representative by the breadth of their geographic coverage: representative sources span all regions and income groups; non-representative sources cover a single region or a restricted set of countries. The empirical content of a country's score therefore depends on which sources reach that country and on the weight each carries. Table 1 summarizes the content of the representative sources for each dimension.

To assess the political content of each dimension, we recompute European-specific weights and classify each source's content using the World Bank documentation (Section B, online appendix). The decomposition reports that Government Effectiveness draws 96.3% of its European aggregation weight from economic-administrative

Table 1 Empirical content of WGI indicators for European countries: representative sources

Governance dimension	Content of representative sources
Government effectiveness	Bureaucratic capacity, infrastructure quality, public-service delivery, policy formulation and implementation
Regulatory quality	Regulatory burden, trade and tariff barriers, investment freedom, market competition, property rights protection
Control of corruption	Petty corruption (irregular payments, bribery) and grand corruption (state capture, vested interests, cronyism)
Rule of law	Contract enforcement, property rights, judicial independence and fairness, organized crime, police and courts
Voice and accountability	Electoral integrity, democratic participation, civil liberties, press and media freedom

Content extracted from the representative-source pool of each WGI dimension that carries non-zero weight for the 41 European countries in the sample. Items with explicit political content (e.g., Eurobarometer trust scores, Bertelsmann democratic-performance ratings) appear only in non-representative sources and carry lower weight in the aggregation. Source: The World Bank (2025) (WGI 2025 Methodology Revision)

sources, those measuring bureaucratic quality, public-service delivery, and infrastructure; Regulatory Quality, in the European context, draws all of its weight from such sources; Voice and Accountability draws 86.5% of its weight from political ones. Control of Corruption and Rule of Law are not classified on this axis, because their feeding sources span both political and economic-administrative content without a clean partition. Government Effectiveness contains only a small political share, 3.7% of its European weight: its representative sources have none, and the politically inflected items reach it only through non-representative sources at low aggregation weight (Appendix B).

3.4 Governance patterns across Europe

Table 2 reports average WGI values by group, and a clear ranking emerges: Historical Members display the highest scores, followed by Entrants, with Outsiders lowest. The gap between Entrants and Outsiders, however, varies across dimensions: the two groups differ significantly on Voice and Accountability and Regulatory Quality, marginally on Rule of Law, and not on Control of Corruption or Government Effectiveness.

Table 2 WGI indicators across countries in the European area (1996–2024)

	(1)		(2)		(3)	
	H. members		Entrants		Outsiders	
Averages	μ	s.e.	μ	s.e.	μ	s.e.
Control of corruption	1.515	0.163	0.451	0.119	0.046	0.317
Government effectiveness	1.480	0.136	0.588	0.117	0.139	0.287
Rule of law	1.437	0.122	0.605	0.112	0.028	0.279
Regulatory quality	1.401	0.116	0.765	0.100	0.126	0.219
Voice and accountability	1.435	0.072	0.792	0.080	0.012	0.231
Average by group	1.467	0.120	0.647	0.105	0.083	0.290
	(1)–(2)		(1)–(3)		(2)–(3)	
Differences	Δ_a	p	Δ_b	p	Δ_c	p
Control of corruption	1.065	0.000	1.470	0.000	0.405	0.243
Government effectiveness	0.892	0.000	1.341	0.000	0.449	0.161
Rule of law	0.832	0.000	1.409	0.000	0.577	0.067
Regulatory quality	0.637	0.000	1.275	0.000	0.638	0.014
Voice and accountability	0.644	0.000	1.423	0.000	0.780	0.004

The upper panel of the table reports the average values of WGIs in the European area for the (1) Historical Members, (2) the Entrants, and (3) the Outsiders groups and their standard errors. The lower panel reports the mean difference between the groups and the corresponding p values. Errors are clustered by countries. All descriptive aggregates and mean-difference tests use precision weights $w_{it} = 1/SE_{it}^2$ constructed from WGI standard errors

3.5 Temporal dynamics

Figures 1, 2, and 3 plot average WGI trends for Europe and for each group separately, computed as inverse-variance weighted averages. For Europe as a whole (Fig. 1), governance scores remain consistently above the world average, with bureaucratic, regulatory capture, and clientelistic indicators displaying mild upward trends or stability while Voice and Accountability shows a modest decline.

Historical Members (Fig. 2) display institutional persistence throughout: they enter the panel with high governance levels and preserve them, with Government Effectiveness and Regulatory Quality clustering within a narrow band consistent with a ceiling effect.

Comparing Entrants and Outsiders (Fig. 3) reveals broadly similar trajectories in most dimensions, though Entrants start from higher initial levels. The main contrast concerns Voice and Accountability, which remains stable among Outsiders but declines among Entrants.

Table 3 reports variance decomposition by group, revealing that cross-sectional differences dominate temporal variation often by an order of magnitude. Among Outsiders, Rule of Law reaches a between/within ratio of 25: cross-country differences swamp within-country change over nearly 3 decades. Entrants are a partial exception, as their lower ratios (2 to 3) reflect the faster within-country institutional change that accompanies accession, though even here between-country variance exceeds within-country variance. This persistence motivates the convergence analysis that follows: if cross-country differences dominate, the relevant question

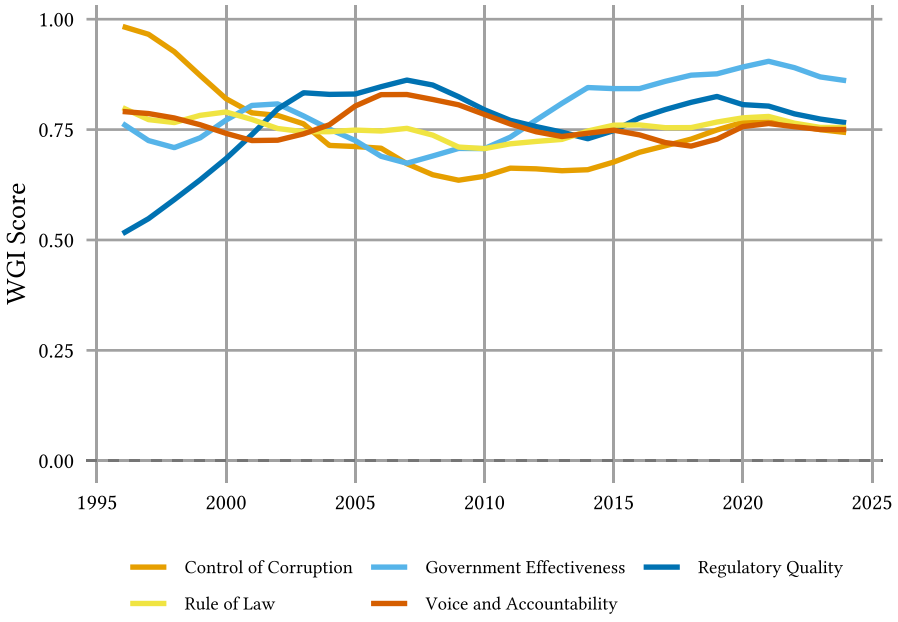

Fig. 1 The WGI indicators in the European area (1996–2024): all countries

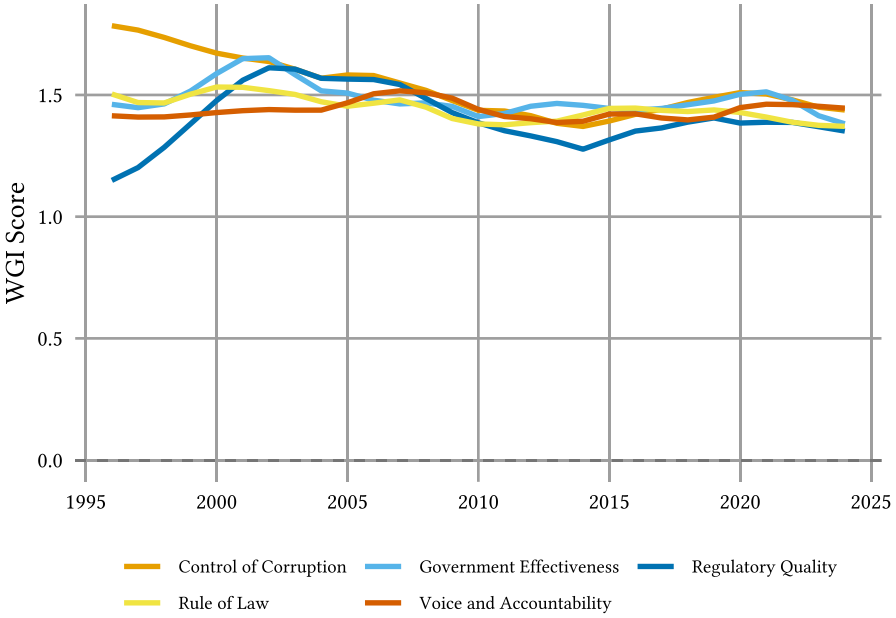

Fig. 2 The WGI indicators in the European area (1996–2024): historical EU members

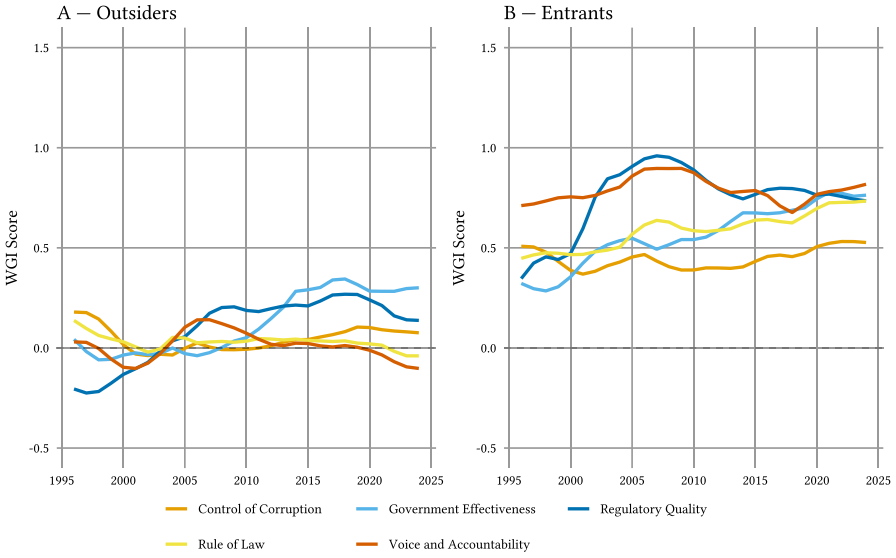

Fig. 3 The WGI indicators in the European area (1996–2024): entrants and outsiders

is whether countries sort into common long-run paths within each governance dimension.

Table 3 Variance decomposition of WGI indicators by EU status (1996–2024)

	H. members			Entrants			Outsiders		
Variance	W	B	B/W	W	B	B/W	W	B	B/W
Control of corruption	0.034	0.367	10.645	0.051	0.164	3.189	0.063	1.218	19.324
Government effectiveness	0.025	0.257	10.217	0.055	0.164	2.980	0.089	0.972	10.936
Rule of law	0.011	0.205	18.676	0.051	0.148	2.879	0.039	0.959	24.584
Regulatory quality	0.033	0.187	5.653	0.053	0.113	2.127	0.082	0.646	7.861
Voice and accountability	0.009	0.070	8.196	0.042	0.074	1.766	0.061	0.721	11.814

W = within-group variance (temporal variation within countries); B = between-group variance (cross-sectional variation across countries); B/W = ratio of between-group to within-group variance. B/W > 1 values indicate that cross-country differences dominate over temporal changes. All estimates use precision weights $w_{it} = 1/SE_{it}^2$ constructed from WGI standard errors

4 Convergence

Section 3 showed persistent cross-sectional differences that dominate temporal variation. We now test whether countries share common relative paths captured as convergence clubs.

4.1 The Phillips–Sul algorithm

The method of Phillips and Sul (2007) allows for transitional heterogeneity without requiring stationarity, and tests whether countries eventually share the same trend component rather than converge to a fixed level.

Let X_{it} denote the governance score of country i at time t, expressed as $X_{it} = \delta_{it}\mu_t$, where μ_t is a common component and δ_{it} a country-specific loading. Relative convergence holds if loadings converge to a common value. To operationalize the test, loadings are normalized by the cross-sectional mean, yielding $h_{it} = X_{it}/\bar{X}_t$. The cross-sectional variance $H_t = N^{-1}\sum_i (h_{it} - 1)^2$ is expected to decline under convergence and forms the basis of the log t regression

$$\log\left(\frac{H_1}{H_t}\right) - 2\log L(t) = \alpha + \gamma \log t + u_t, \tag{1}$$

where $L(t) = \log(t + 1)$. The null hypothesis of convergence is not rejected when the one-sided t-statistic for $\hat{\gamma}$ exceeds -1.645. The magnitude of $\hat{\gamma}$ determines the nature of convergence: $\hat{\gamma} \geq 2$ indicates absolute convergence in levels, whereas $0 \leq \hat{\gamma} < 2$ implies convergence in growth rates. Following Phillips and Sul (2007), we summarize each result as one of three zones in the $(t, \hat{\gamma})$ plane: Zone 1, the test does not reject convergence with $\hat{\gamma} \geq 0$; Zone 2, the test does not reject convergence but $\hat{\gamma}$ is near zero or weakly negative; Zone 3, the test rejects.

When global convergence is rejected, we identify convergence clubs using the clustering procedure of Phillips and Sul (2007, 2009), subsequently applying the conservative merging algorithm of Lyncker and Thoennessen (2017) to

avoid over-splitting the panel. Since the Phillips–Sul framework requires strictly positive values, WGI scores are shifted by their minimum plus a small constant ($X_{it}^{+} = X_{it} - \min(X_{it}) + 0.001$) before computing transition paths (Morgan et al. 2025). Further methodological details, including trimming parameters, standard error computation, and data requirements, are reported in the Online Appendix (Section C.1).

4.2 Convergence by groups

As a preliminary step, we apply the log t regression separately to each country group (Table 4).

For Historical Members, convergence is rejected for all five dimensions, though rejection is consistent with heterogeneous but persistent trajectories rather than divergence. These countries sit at high governance levels with little room for further improvement, a ceiling pattern consistent with institutional path dependency (D'Arcy and Nistotskaya 2017).

Among Entrants and Outsiders, the preliminary tests already point in the direction of the channel ordering. Government Effectiveness, mapped to the bureaucratic channel, is the only dimension converging in both groups; the other four dimensions reject convergence in both groups. Voice and Accountability, the competitive-electoral indicator, shows the strongest rejection, and Control of Corruption extends the rejection to the clientelistic channel. Case-level reversals in Hungary and Poland (Bakke and Sitter 2020; Kovács and Scheppele 2018) illustrate the political stakes behind this pattern, which Sect. 6 returns to in the within-EU analysis.

4.3 Convergence across governance dimensions

We now extend the Phillips–Sul analysis to European countries as a whole. Table 5 summarizes the results, and Fig. 6 in the Online Appendix displays the average transition paths, along with detailed club composition.

Government Effectiveness is the only dimension where global convergence is not rejected ($t = -0.79$, $\hat{\gamma} = -0.06$, Zone 2). Administrative capacity scores are

Table 4 Phillips and Sul (2007)'s log t convergence test for WGIs (1996–2024)

	Hist. members		Entrants		Outsiders	
	$\hat{\gamma}$	t-stat	$\hat{\gamma}$	t-stat	$\hat{\gamma}$	t-stat
Control of corruption	−0.787	−4.648	−0.889	−9.155	−0.396	−4.856
Government effectiveness	−0.475	−3.130	**−0.020**	**−0.170**	**0.157**	**1.073**
Rule of law	−1.053	−6.988	−0.433	−6.011	−0.618	−7.712
Regulatory quality	−1.368	−6.127	−0.857	−9.429	−0.492	−5.000
Voice and accountability	−1.882	−8.259	−2.181	−21.458	−1.214	−18.429

The table reports $\hat{\gamma}$ and Student's t values from Phillips and Sul (2007)'s log t regressions calculated over several groups of countries. Hypothesis under test: H_0: Panels converge; H_1: Panels do not converge. Values of Student's t smaller than −1.645 imply rejecting H_0. Bold cells indicate support for convergence

Table 5 Convergence clubs and the gap between highest and lowest club levels (Range μ) across governance dimensions

Governance dimension	Type	Clubs	Divergent	Range μ	EU alignment
Government effectiveness	Bureaucratic	1	0	0.00	N/A
Regulatory quality	Regulatory-capture	3	0	1.41	Partial
Control of corruption	Clientelistic	3	0	1.83	Partial
Rule of law	Clientelistic	4	0	2.35	Weak
Voice and accountability	Competitive-electoral	3	2	2.52	Partial

The Type column reports the four-channel elite-resistance taxonomy. Clubs is the number of Phillips–Sul convergence clubs, and Divergent the number of countries assigned to no club. Range μ is the gap between a dimension's highest and lowest club levels, where each club level μ_k is the precision-weighted (inverse-variance) mean of its members' scores over the last five years; it is the metric that tracks the redistributive-stakes ordering (GE < RQ < {CC, RL} < VA), whereas the raw club count does not. Control of Corruption and Rule of Law share the clientelistic channel, which the framework does not order internally. EU alignment summarizes how far the club structure tracks EU membership categories (Sect. 6); within-club convergence (the log-t zone of each club) is reported per club in the Online Appendix

the most similar across Europe regardless of EU membership. The pattern fits the framework's prediction for the bureaucratic channel.

At the high-stakes, competitive-electoral end of the spectrum, the picture inverts. Voice and Accountability, mapped to that channel, partitions into three groups identified by the clustering algorithm plus two divergent cases. The first group comprises 26 countries, including 93% of Historical Members and 62% of Entrants, and is a set of consolidated democracies that share a high common long-run level ($\mu = 1.25$; $\hat{\gamma} = -0.19$, $t = -1.64$); the test does not reject the null of convergence. A second group contains ten countries (Greece, Hungary, and Poland among them); $\hat{\gamma} = -0.04$ is near zero (Zone 2); the test does not reject convergence. The third group (Belarus, Russia, Turkey) is a low-μ club ($\hat{\gamma} = -0.30$, $t = -0.73$, Zone 2); its low common level is consistent with autocratic consolidation. Only Bosnia-Herzegovina and Norway diverge outright, following idiosyncratic paths the algorithm assigns to no club.

Between these extremes sit the two intermediate channels: the regulatory capture and the clientelist. Control of Corruption separates into three clubs, all with positive $\hat{\gamma}$ consistent with Zone 1 convergence. The top club ($\mu = 1.48$) draws 73% of Historical Members but also 38% of Entrants and Outsiders, and no Historical Member appears in the bottom club. Rule of Law splits into four clubs, with Belarus, Russia, Turkey, and Ukraine clustered at the bottom ($\mu = -0.88$). Regulatory Quality also yields three groups: Club 1 has $\hat{\gamma} > 0$ consistent with Zone 1, while Clubs 2 and 3 have $\hat{\gamma}$ values close to zero or negative and fall into Zone 2: the test does not reject convergence.

To compare dimensions, we use Range μ, the gap between a dimension's highest and lowest club levels, the quantity that Prediction 1 concerns. Each club's level μ_k is the precision-weighted (inverse-variance) mean of its members' scores over the last five years; the Phillips–Sul algorithm identifies the clubs, and μ_k is computed on each. Range μ *measures the gap between club levels, not the dynamics within each club*. Table 5 reports Range μ alongside the club counts for each dimension.

The club count does not track the political stakes: Rule of Law splits into four clubs, more than Voice and Accountability's three. What tracks the stakes is how far apart the clubs sit. Range μ rises along the channel ordering: 0.00 for Government Effectiveness, 1.41 for Regulatory Quality, 1.83 and 2.35 for the two clientelistic indicators, Control of Corruption and Rule of Law, and 2.52 for Voice and Accountability. Where the stakes are higher, the clubs settle at more separate levels. Also, EU membership correlates with higher governance quality but does not guarantee convergence.

5 Elite-power concentration and club membership

The theoretical framework in Sect. 2 treats elite resistance as a spectrum of redistributive stakes organized into four channels, and this section examines whether baseline elite-power concentration, measured from the Varieties of Democracy (V-Dem) dataset before the study period, correlates with subsequent club membership. The evidence is correlational: elite concentration and governance outcomes may both reflect deeper structural factors, so we read these associations as consistent with the framework rather than as proof of causation.

5.1 Measuring elite-power concentration

We construct the Elite Power Concentration Index (EPCI) by aggregating two V-Dem indicators: *power distributed by socioeconomic position* (`v2pepwrses`) and *power distributed by social group* (`v2pepwrsoc`) to capture the distribution of *political power* along socioeconomic and group lines. Both are derived from expert-coded ordinal assessments that V-Dem transforms, via an item response theory (IRT) measurement model, into continuous interval-level estimates, where higher values indicate a more equal distribution. We average each indicator over the 1991–1995 baseline period and invert it so that higher values represent more concentrated elite power, then average across the two

$$\mathrm{EPCI}_i = 4 - \frac{\overline{v2pepwrses_i}^{1991-1995} + \overline{v2pepwrsoc_i}^{1991-1995}}{2}.$$

A principal component analysis confirms that a simple average appropriately captures the underlying construct (see Appendix D for details).

The baseline period 1991–1995 precedes the WGI data (which begins in 1996), ensuring that elite concentration is measured before the governance outcomes we seek to explain. This temporal separation mitigates reverse causality.[1]

[1] Although the elite measure and three WGI dimensions both draw on V-Dem, they share no variable or component: `v2pepwrses` and `v2pepwrsoc` are power-distribution measures, not inputs to or components of the V-Dem indices the WGI uses, and therefore cannot produce a mechanical association with governance outcomes (Online Appendix, Section D.7).

Measuring elite power at baseline is informative only if that configuration endures. A regression of each country's elite-power concentration in 2020–2024 on its 1991–1995 baseline returns a slope of 0.59 ($p < 0.01$): the starting position strongly predicts where a country sits three decades later. We also detect an upward drift in average concentration of about 0.2 index points, and a narrowing of the spread across countries to roughly three-fifths of its initial width. Still, the cross-country ranking is largely intact (Spearman $\rho = 0.745$), and because the club analysis is ordinal, this stable ordering is what directly supports using the baseline to explain club membership (Online Appendix, Section D.1).

5.2 Elite-power concentration and club membership

We test whether baseline elite concentration predicts club membership (Prediction 2) using a set of ordered-logit models. The dependent variable is club membership for each governance dimension, coded ordinally, with higher values indicating lower-performing clubs. The independent variable is the Elite Power Concentration Index from 1991 to 1995. We exclude Government Effectiveness, because it forms a single club. This per-dimension approach provides clear odds ratios at the full ordinal scale of club rankings.

Table 6 reports the results.

For Voice and Accountability, the indicator mapped to the competitive-electoral channel, elite concentration is strongly associated with club membership: a one-unit increase in the EPCI increases the odds of belonging to a worse club by a factor of 4.81 ($p < 0.01$), consistent with Prediction 2. Figure 4 shows Club 1 countries, those in the highest Voice and Accountability club, with notably lower median EPCI than Clubs 2 and 3: Sweden has the lowest EPCI among the 41 countries (1.29) and belongs to Club 1, while Russia (2.91) and Belarus (2.22) occupy the lowest-performing clubs.

Control of Corruption displays a similar pattern, with elite concentration significantly associated with worse club membership (OR = 3.37, $p < 0.01$). Countries like Denmark (1.56) and Finland (1.82), both in Club 1, contrast with Bulgaria

Table 6 Elite-power concentration and governance club membership

Governance dimension	Type	*N*	Clubs	$\hat{\beta}$	Odds Ratio	95% CI
Regulatory Quality	Regulatory-capture	41	3	0.689	1.99	[0.80, 4.93]
Control of Corruption	Clientelistic	41	3	1.216***	3.37	[1.35, 8.41]
Rule of Law	Clientelistic	41	4	1.030**	2.80	[1.22, 6.43]
Voice and Accountability	Competitive-electoral	39	3	1.570***	4.81	[1.59, 14.57]

Note: Ordered logit models. Dependent variable: governance club membership, ordered from Club 1 (highest performance) to Club 3/4 (lowest performance). Positive coefficients indicate that a higher Elite Power Concentration Index (EPCI) predicts membership in lower-performing clubs. Independent variable: the EPCI at baseline (1991–1995), the inverted average of V-Dem `v2pepwrses` and `v2pepwrsoc` (higher values = more concentrated elite power). Government Effectiveness excluded (single club). Voice and Accountability excludes 2 divergent countries (Bosnia and Herzegovina, Norway). Confidence intervals: Wald method. *$p < 0.10$; **$p < 0.05$; ***$p < 0.01$

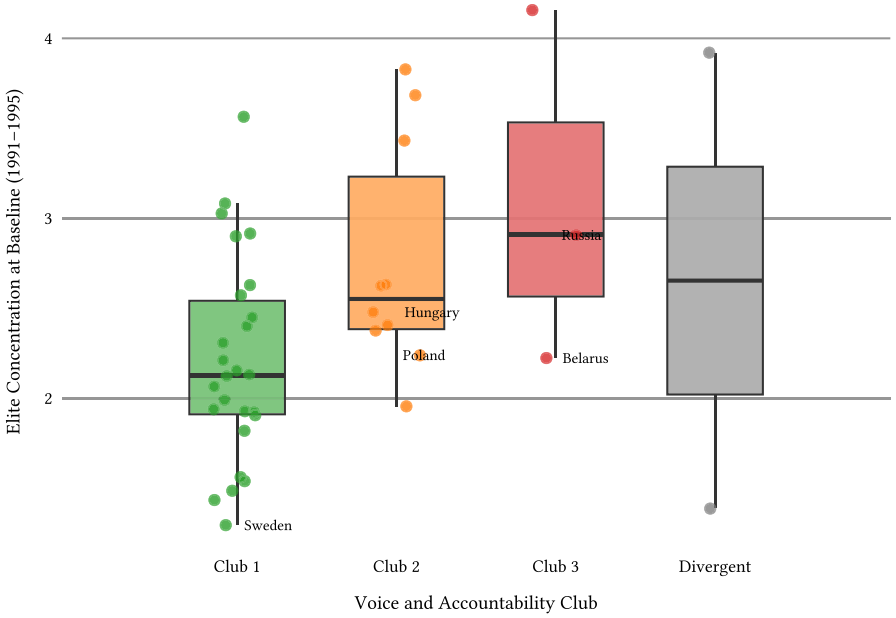

Fig. 4 Baseline elite concentration by voice and accountability club. NOTE: Elite concentration measured 1991–1995. Boxplots show median, interquartile range, and outliers

(2.41) and Hungary (2.48) in Club 3. Poland is an exception: despite relatively high baseline elite concentration (2.24), it reached Club 1 for Control of Corruption, a reminder that baseline elite concentration is not deterministic.

Rule of Law also shows a statistically significant relationship (OR = 2.80, $p < 0.05$), with four distinct clubs reflecting the substantial heterogeneity documented in Sect. 4. Some countries with moderate elite concentration fall into different clubs depending on the indicator: Cyprus (2.92) belongs to Club 1 for Voice and Accountability but Club 3 for Rule of Law, suggesting that elite power may manifest differently across institutional domains.

Regulatory Quality shows the weakest relationship of the four channels tested (OR = 1.99, $p = 0.14$). The estimate runs in the predicted direction but falls short of statistical significance, so the ordered logit alone is inconclusive on this channel. One reason is measurement: our V-Dem indicators track the political-power side of elite concentration, whereas regulatory capture operates mainly through its economic side, namely the entry barriers and sector-specific rents that incumbent firms defend. A measure of political power, therefore, registers its smallest effect on the one channel whose stakes are largely economic, leaving Regulatory Quality at the low-resistance end of the spectrum rather than off it.

5.3 From club membership to the stakes gradient

The ordered-logit models check whether countries with more concentrated baseline elite power are found in lower-performing clubs, but do not explain why the clubs formed or separate elite concentration from path-dependent initial conditions and EU selection. Hungary illustrates the pattern: with above-median baseline elite concentration, it occupies Club 2 for Voice and Accountability and Club 3 for both Rule of Law and Control of Corruption.

These models, each confined to one dimension, cannot test the framework's broader claim that resistance increases from the bureaucratic to the competitive-electoral channel, nor check whether the two clientelistic dimensions, which the spectrum places at the same point, in fact move together. We therefore estimate an additional model that places all four channels on a common scale and allows the elite–concentration effect to differ by channel (Online Appendix, Section E). Estimated in a Bayesian framework, the model provides probabilities rather than a yes-or-no verdict, and those probabilities support the framework. The elite–concentration link is stronger at the competitive-electoral end than at the bureaucratic end, with posterior probability 0.975, and the four channels line up in the predicted order (Spearman $\rho \approx 0.7$). Control of Corruption and Rule of Law turn out to be closely linked, consistent with their shared position on the spectrum. Even Regulatory Quality, too imprecise to read on its own, shows a small positive effect when the model pools information across channels (posterior probability = 0.96), consistent with its place at the low-stakes end of the spectrum.

The ordered-logit associations are not an artifact of the consolidated autocracies. With Russia, Belarus, and Turkey removed, the Control of Corruption association stays significant, and the Rule of Law association remains positive. Voice and Accountability cannot be estimated once all three are dropped, since the worst club then consists of exactly those countries; on the trim that retains Turkey, the association holds and is in fact stronger, as the Online Appendix details (Table 25). Elite concentration is associated with club membership among the European democracies, not only across the autocratic extremes.

6 Discussion

The results point to a clear pattern: countries are most likely to share a common path where reform strengthens state capacity without shifting power, and least likely where reform threatens incumbent office. Government Effectiveness forms a single club, while Voice and Accountability splits into clubs with the largest gap between high- and low-performing groups. We read this correlational pattern as consistent with a gradient of elite resistance ordered by what reform puts at stake, not as an identified causal effect.

Democratic backsliding in Europe is uneven; it is most visible where incumbents risk clear political or distributive losses, and it aligns with the type of threatened reform. This perspective refines elite-power theories by highlighting not just that elites resist reform, but where their resistance is most intense. Baseline elite

concentration supports this pattern: it is most strongly linked to worse club membership on the competitive-electoral dimension, and only weakly, or not at all, on the regulatory dimension, consistent with the stakes-based spectrum.

Corruption and rule-of-law indicators, though closely correlated with administrative capacity, behave differently in the elite analysis. Control of Corruption and Rule of Law line up closely in their association with elite concentration: their estimated elite-resistance effects are indistinguishable in the posterior, with a separation sixteen times smaller than that of the nearest cross-channel pair, so Control of Corruption pairs with Rule of Law rather than with Government Effectiveness (Online Appendix, Table 27). Similar governance levels do not imply a shared cause: the pattern is more consistent with corruption reflecting coalitional control over state benefits than mere administrative weakness, and matches accounts of corruption as particularism and with impartiality-based accounts of good government (Mungiu-Pippidi 2014b; Rothstein and Varraich 2017).

The EU pattern points to selection before accession rather than harmonization after accession. If post-accession instruments were decisive, the differences among members would shrink most where the *acquis* binds tightly. Instead, members' scores are closest to one another on Voice and Accountability (see Online Appendix, Section F), the dimension least affected by post-accession enforcement. Article 7 stalls on unanimity and infringement procedures do not reach electoral integrity (Kelemen 2020; Priebus 2022); the European Semester, in any case, targets fiscal and structural-economic conduct rather than democratic accountability. Longitudinal evidence clarifies this feature: in 1996, the 2004 entrants' scores were already far closer together than those of non-EU peers (Online Appendix, Section G). This closeness reflects pre-accession conditions rather than post-accession harmonization, consistent with the accounts of active pre-accession leverage (Vachudova 2005; Schimmelfennig and Sedelmeier 2005).

Excluding Hungary and Poland, the other eight 2004 entrants still cluster tightly on Voice and Accountability (Online Appendix, Section G.3). Within that cohort, post-accession erosion is concentrated in two documented cases of backsliding, not in a general loss of the accession effect (Kelemen 2020; Priebus 2022). These cases show that, once membership was secured, elites with much to gain from autocratization could target politically binding dimensions. Because the WGI series begin in 1996, it remains unclear whether the pre-accession closeness reflects the Copenhagen criteria or earlier post-1989 transitions. Regardless, the pattern fits neither the generic expectation that membership alone narrows the differences among members nor the enforcement view that those differences should be smallest where EU instruments are strongest.

The pattern of clubs we have found does not support the predictions that follow from the Varieties of Capitalism theory. When we cross-tabulate our results with the production regimes of Hall and Soskice (2001) and the welfare regimes of Esping-Andersen (1990), the convergence clubs cut across both typologies. Liberal and coordinated market economies share the top club across all multi-club dimensions, and the liberal and social-democratic welfare regimes, the two poles of Esping-Andersen's scheme, are indistinguishable on three of the four dimensions (Online

Appendix, Section H). Coordination and social protection also run on a different axis from institutional convergence.

No other established research tradition fully explains the observed ordering either. Path dependence clarifies why differences persist but not their cross-dimensional order (Pierson 2000; Mahoney 2000; Mahoney and Thelen 2009). Corruption-as-particularism anticipates the pairing of Control of Corruption and Rule of Law, but not the broader pattern (Mungiu-Pippidi 2014b; Rothstein and Varraich 2017). The evidence we have found suggests that the redistributive-stakes spectrum orders the dimensions of public governance.

7 Conclusions

In this article, we have argued that institutional convergence depends not only on the functional gains from reform but also on the political losses it imposes on entrenched elites. Reforms that improve administrative capacity can diffuse, because they create broad benefits and give organized groups limited reason to resist, whereas reforms that constrain discretion, rents, or electoral advantage are more likely to generate resistance and sustain gaps between high- and low-performing clubs. We have organized this logic into four channels ordered by what elites stand to lose.

The empirical evidence supports both predictions and reveals a distinctive European Union pattern. First, countries whose elites held more concentrated power in the early 1990s are more likely to sit in lower-performing clubs where reform redistributes political power; the association is strongest on Voice and Accountability and weakest on Regulatory Quality, whose stakes are more economic. Second, the gap between a dimension's highest and lowest club widens along the spectrum, from a single Government Effectiveness club to the widest separation on Voice and Accountability. Control of Corruption and Rule of Law also line up closely, a finding consistent with their shared clientelistic position on the spectrum. Beyond the two predictions, the EU pattern points to selection rather than membership: member states are closest on Voice and Accountability, and that closeness predates accession.

Our evidence carries policy suggestions that apply most directly to the dimensions where elites resist most. The EU result cautions against treating membership as a permanent harmonizing force. If closeness on Voice and Accountability is produced mainly before accession, lasting change requires incentives and constraints that survive entry and institutions designed to withstand capture, so that reversal becomes costly for elites. Our results also point to a possible direction for anticorruption policy: in Europe, the pattern is consistent with corruption reflecting coalitional control over who gets investigated, prosecuted, or receives public funds, rather than weak administration. If so, training and management reforms miss the core problem, and effective solutions would limit discretionary power through impartial law enforcement, transparent allocation of benefits and contracts, and strong protection for courts and watchdogs.

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Author Contributions VF conceived the study, led the development of the theoretical framework, designed and implemented the econometric model in R, coordinated the empirical analysis, interpreted the results, and contributed to writing the manuscript. VA contributed to the initial research idea, the development of the theoretical framework, the interpretation of the results, and the writing of the manuscript. SC contributed to the conception of the study, the development of the theoretical framework, the interpretation of the results, and the writing of the manuscript.

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Declarations

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