WORKING IN THE SHADOWS: A CROSS-NATIONAL ANALYSIS OF EVERYDAY RESISTANCE

By

Ahmed Ezzeldin Abdalla Mohamed

Submitted to Central European University

Department of Political Science

In partial fulfillment of the requirements for the degree of Masters of Arts

Supervisor: Professor Béla Greskovits

Budapest, Hungary
(2015)

Abstract

This paper provides a pioneering attempt to analyze the phenomenon of everyday resistance to material dominance cross-nationally using large-N analysis. Building on the existing literature on everyday resistance, we test for a set of hypotheses tackling the structural, institutional, and attitudinal factors associated and determining the extent of everyday resistance. To undertake this task, the paper firstly revisits the theoretical conceptualization of everyday resistance before arguing that the informal economy offers the most convenient proxy for everyday resistance to material dominance that is comparable cross-nationally. Then, we proceed to testing our hypotheses by employing Pearson's correlations and OLS regression analysis to a dataset of around 90 countries compiled from different sources. Our findings suggest that everyday resistance to material dominance is more likely to burgeon in societies at earlier stages of development with more dependence on agricultural economy and burdened by inefficient institutions, lower levels of social trust, high latent anti-authority attitudes, and low levels of public display of contention. When it comes to the causal drivers of everyday resistance, the results indicate that a certain institutional set-up of loose executive institutions, supportive legal institutions, and fragmented horizontal social structure, form an opportunity structure for everyday resistance to grow. Within this institutional arrangement, resisters tend to base their opposition on *de jure* more than *de facto* material domination, while being fueled by latent anti-authority attitudes. Interestingly, the scale of everyday resistance is likely to expand under repressive regimes without being independent from different forms of public display of contention.

Table of Contents

Introduction

In the center of Cairo, Ramses Square lies as one of the busiest areas in the Egyptian capital. However, the flocks of passersby this square have to find their way through the narrow spaces available in between the booths of the street vendors occupying the central square. Unregistered, unlicensed, and untaxed, these informal actors manage their shadow economy independent from the existing authorities. In the summer of 2014, the Egyptian government launched a major crackdown on their businesses with the goal of formalizing it and regaining the occupied public spaces in the center of the capital. In their reaction to the governmental take-over, the street vendors protested while highlighting that this was "unfair" in a country where the government is "stepping over the poor" while "letting others rob the country" (Masr Alarabiya, 2014). For them, it was their right to resist the unjust social and economic order and object to the material domination of the more powerful through working in the shadows. From Egypt to Ghana, resistance is still present. In Koforidua in the Eastern Region of Ghana, a carpenter chose to resort to informal economic activities as means to resist the corrupt and inefficient bureaucratic system. He states "I'm a Christian and it's against my Christian Principles to give bribes and that's why I decided not to continue the registration" (Adom and Williams, 2014, 483). From the struggles of the poor in the developing world to the choices of the better off in the developed world, the story does not differ a lot. In New York City, Mel decided to opt out from the formal economy to the shadows and start his private tutoring business. As he puts it, "I realized that I didn't want to be part of a large organization and the job opportunities that were available to me in the large organization like that were not remunerative" (Snyder, 2004). These

three examples represent a sample of millions of citizens around the world who chose to resist what they perceive as unjust, illegitimate, immoral, or simply inconvenient. Yet, they do not object to the existing order by protesting or revolting. Instead of changing the rules of the game, they decide to render them meaningless by creating their own in the shadows. Since these informal activities constitute a critical part of their lives, their resistance to the existing order becomes daily rather than sporadic making their acts an "everyday resistance" (Scott, 1989).

Since the early works on the theory of everyday resistance (Scott, 1976, 1989, 1990), the debate on this untraditional view of resistance has been growing (Guttman, 1993; Gupta, 2010; Vinthagen and Johansson, 2013). This was mostly driven by the theory's departure from the conventional view to the acts of resistance as collective, organized, systematic, and public. Instead, the theory of everyday resistance nominates a set of individual, surreptitious, self-indulgent, unorganized, and unsystematic acts to be considered as political resistance (Scott, 1989). Its main evidence is drawn from the anthropological studies of cases of resistance by peasant communities in developing countries (Scott 1973; Scott, 1975; O'Brien and Li, 2006; Walker, 2008; Adnan, 2007). Despite the deep insights that these studies provide on the complexity of power relations, they still remain as narratives of specific incidents which undermines the predictive power of the theory. Accordingly, this paper attempts to provide a general understanding of the factors associated and determining the extent of everyday resistance. This task is undertaken by conducting the first, to our knowledge, cross-national analysis of the phenomenon of everyday resistance. We confine our focus to resistance to material domination in the economic sphere by operationalizing everyday resistance as the size of the informal economy. Based on that, we employ Pearson's correlations and OLS regression analysis to test for a three set of hypotheses tackling the structural, institutional, and attitudinal

roots of everyday resistance to material domination. Our findings suggest that everyday resistance to material dominance is more likely to burgeon in societies at earlier stages of development with more dependence on agricultural economy and less on services. They are also characterized by inefficient institutions, lower levels of social trust, high latent anti-authority attitudes, and low levels of public display of contention. When it comes to the causal drivers of everyday resistance, the results indicate that a certain institutional set-up of loose executive institutions, supportive legal institutions, and fragmented horizontal social structure, form an opportunity structure for everyday resistance to grow. Within this institutional arrangement, resisters tend to base their opposition on *de jure* more than *de facto* material domination, while being fueled by their existent latent anti-authority attitudes. Interestingly, the scale of everyday resistance is likely to expand under repressive regimes without being independent from different forms of public display of contention. These conclusions are drawn while acknowledging the limitations of studying everyday resistance using large-N analysis.

The paper starts by discussing the theory of everyday resistance and its main criticisms before offering a convenient conceptualization for empirical analysis. Then, we develop the argument that informal economy is a suitable cross-national operationalization of everyday resistance. After these theoretical discussions, we proceed to discuss the research methodology, data, and main findings.

Chapter 1: A Theoretical Overview of Everyday Resistance

Michel Foucault states that "where there is power, there is resistance" (1978, 95-96). Power differentials define the dominant social classes, status positions, and institutions. They draw the line between the powerful and the weak, the dominant and the subservient, and the authority and the resisters. Thus, the resistance of the subordinate comes as a way to cross that line by showing "disgust, anger, indignation, or opposition to what they regard as unjust, unfair, or illegal claims on them by the dominant". It is an act of the subordinate to affirm their claims of entitlement to property or rights (Kerkvliet, 2009, 233). Yet, resistance could have various modes and be directed towards different targets. Chin and Mittelman (1997) summarize the contemporary theoretical approaches to resistance into three main ones; the Gramscian wars of movement and position against the state, Polanyian counter-movements against market forces, and Scott's infrapolitical activities against everyday domination. While the first two theories are mainly concerned with collective forms of resistance, the last concept focuses on forms of resistance by individuals that take place on everyday bases (34). Hence, the theory of everyday resistance represents a critical departure from the traditional understanding of resistance as a public, organized, collective, and relatively anomalous act to the everyday life of the subordinates. Everyday resistance normalizes resistance by integrating it into the everyday social life (Vinthagen and Johansson, 2013, 3).

The theory of everyday resistance is about how people act in their daily life in ways that challenge the dominant power (Vinthagen and Johansson, 2013, 2). In face of material

domination, denial of status and assaults on dignity, and ideological domination, the weaker factions of society employ quiet, disguised, anonymous, and often undeclared forms of resistance either individually or collectively (Scott, 1989, 27, 37). This resistance could take the form of: (1) everyday resistance against material domination through poaching, squatting, desertion, tax evasion, foot dragging, (2) direct opposition by disguised resisters, (3) hidden transcript of anger, aggression, and a discourse of dignity like rituals of aggression, tales of revenge, creation of autonomous social space for assertion of dignity, or (4) development of dissident subculture including millennial religions, myths, and class heroes. With these activities, actors seek "tacit, de facto gains" rather than "formal, de jure-recognition of those gains," especially when the act of rebellion is too risky (Scott, 1989, 27,34). It is this surreptitious nature of everyday resistance that maintains its survival and effectiveness (Scott and Kerkvliet 1986; Kerkvliet 1990, 2005; Caouette and Turner 2009; Walker 2009). De Carteau (1984) draws a more dynamic picture of this form of resistance as one with time-dependent and place independent tactics that aims at seizing the opportunity whenever and wherever it exists (xix). In his view, it's the art, used by the people on everyday bases, of tricking the actual imposed systems to bring it closer to their ends (18, 26). This art is composed of a set of techniques of "social and material survival" to cope with repression in everyday life (Vinthagen and Johansson, 2013, 24). Thus, the concept of everyday resistance could be boiled down into three main characteristics. Firstly, everyday resistance is an act practiced by the less powerful on everyday bases. Secondly, it is done in opposition to power and so compels power to respond (Hollander & Einwohner 2004). Thirdly, it is mostly a disguised, undeclared, and anonymous form of resistance to maintain its own survival.[1]

[1] One of the interesting puzzles is the contradiction between the disguised nature of everyday resistance and its

By highlighting the significance of covert resistance, the theory of everyday resistance adds another dimension to our understanding of social resistance. However, this distinction between overt and covert forms of resistance does not imply their mutual exclusiveness. They occur simultaneously, alternate, and transform into one another (Guttman, 1993, 77). Turton (1986) presents this strategic mobility between forms of resistance as a spectrum with "everyday and exceptional forms of resistance" as the extremes (36). The malleability of the boundaries between the two forms of resistance and the recurrent shifts of the actors between them were highlighted by several empirical studies of peasants' resistance in India (Adnan, 2007), Latin America (Guttman, 1993), and China (O'Brien and Li, 2006; Walker, 2008). Furthermore, the relationship between overt and covert resistance is a function of structural changes in domination and the role of agency. More precisely, the alteration in the nature and the intensity of domination in a way that pushes the subordinates to overcome their fears of public confrontation, as well as, the rise of leaders and groups to frame and channel covert grievances into public action, are two important factors that transform the everyday covert resistance into public opposition (Scott, 1986, 28-9, Adnan, 2007, 214, Kerkvliet, 2009; 235). Therefore, everyday resistance should not be viewed as independent from other forms of overt resistance.

Through unraveling covert social resistance, the theory of everyday resistance tries to explain the puzzle of the apparent satisfaction and silence of the weak in face of impoverishment and exploitation by the more powerful social groups. It cautions that the infrequency of public

potential ability to compel power to respond. If it is disguised, how will it push power to respond? To whom will the dominant respond if the resisters are anonymous? The answer might depend on the aggregate effect of the everyday acts of resistance. For example, if poaching became very common in a certain region, the dominant group will introduce new measures to contain their losses and affirm their dominance. The examples of agrarian resistance to the agricultural quota systems in China and Hungary are good examples of individual acts that contributed to the erosion of institutions and so necessitated a response from the authority (Scott, 1989).

mass social resistance does not mean that resistance is largely absent from everyday politics. Instead, the theory shows that the seemingly calm faces of the weak hide behind them rage, distrust, and antipathy to the oppressors that could pile up to form a revolution (Kervliet, 2009, 234). Its relevance to most societies, especially those living under oppressive regimes or under weak rule of law, has inspired the formulation of the field of "subaltern studies" as a distinct school that focuses on the "history from below" (Kelly, 1992: note 1, 297; Ludden, 2002, 7–11; Sivaramakrishnan, 2005; Vinthagen and Johansson, 2013). Moreover, despite being firstly employed as a concept relevant to resistance in agrarian communities, the application of the concept of everyday resistance expanded to explain resistance in the workplace (Huzell, 2005), the family (Holmberg & Ehnander, 2007), or gay/queer spaces (Myslik, 1996; Campbell, 2004). Simply, it went beyond the trivial view of traditional politics by bringing to the analysis several, previously missing, but politically significant elements of social activities (Kervliet, 2009, 229).[2]

Despite the novelty of the theory of everyday resistance, it was subject to criticism. The most fundamental challenge to the theory comes from the risk of stretching the concept of "everyday resistance" to incorporate many everyday activities that have little to do with resisting the dominant order (Vinthagen and Johansson, 2013, 3; Joseph, 1990, 34). According to this view, the concept of everyday resistance refers to simple "non-political" or "prepolitical" coping mechanisms that the weak use in their everyday life to help themselves, not to resist. Since these mechanisms are unorganized, unsystematic, individual, accommodating the existing domination,

[2] This view of everyday resistance suggests that resistance is omnipresent, however, its visibility is limited. Resistance will exist as individuals have preferences that might contradict those of the dominant authorities. In his analysis of the fall of communism in Eastern Europe, Kuran (1991) distinguishes between private and public preferences of citizens and points out that they engage in "preference falsification" by showing public preferences that negate their private ones. Using this logic, one can argue that as long as the process of preference falsification exists to a certain extent, individuals will have their own preferences directing their actions whenever it is possible to satisfy them. Kuran focuses on the role of private preferences in bringing revolutions, however, they could also generate the hidden acts of everyday resistance. Therefore, as long as private preferences cannot be channeled, they will shape the actions of individuals in the shadow to a certain extent.

opportunistic, self-indulgent, and with no revolutionary consequences, they are irrelevant to the study of resistance (Scott, 1989, 21). Thus, the concept of "everyday resistance" does not only run the risk of stretching, but also hollowing. Simply, defining everyday resistance is terms of its individuality and disguise, as well as, its portrayal as the techniques of the weak against the dominant power, is largely vague with little empirical guidance beyond the studied cases. Accordingly, in order to have a clearer understanding of what acts could be viewed as everyday resistance, one would have to answer questions like: Is organization important for the act of resistance? Does accommodating domination contradict the presence of resistance? How can an everyday act be classified as political resistance? Is the intention to resist necessary for the analysis of the act? Can resistance entail self-interested motives? Is the political impact of the act a necessary condition to classify it as political resistance? And, Who are the weak who resist?.

Scott (1989) broaches some of these questions. On the requirement of collective organization, he points out that it is unnecessary for everyday resistance. Since the coordination between actors takes place without the need for formal or bureaucratic intermediaries, organization is existent informally (22). We agree with this position as it is true that resistance is more meaningful and effective when it is organized and collective, but it is also valid that the lack of organization and collectivity does not deny the act its resisting characteristic. Thus, the fact that acts of everyday resistance are individual and unorganized does not negate their resistance motives.

Although Scott (1989) agrees that everyday resistance is different from other public acts of resistance in that it is more accommodating to domination, especially under repressive regimes where cost of opposition is high, this accommodation does not necessarily undermine challenging dominance (22). Camp (2004) note that "resistance" and "accommodation" are not

mutually exclusive concepts, but they are both employed by the weak interchangeably over time and space. In addition, even if everyday resistance accommodates domination in the short run, it could severely weaken domination in the long run. For example, Scott (1989) highlights that the everyday activities of agrarian resistance against the repressive agricultural production policies of the Hungarian socialist state took place over around two decades before the domination of the state eroded and the tide came in favor of the peasants with the 1956 revolution and the imposition of liberal reforms (17). Thus, the strategies of everyday resistance do not accommodate domination eternally as they challenge it continuously. Simply, the accommodating nature of everyday resistance does not render it passive, but rather slow and gradual.

Even if we comprehend the fact that everyday resistance is an untraditional form of resistance that does not follow the common perceptions of political resistance, the question of how to classify an everyday act as political resistance remains a more challenging one. One suggestion is to consider the intention of the act. Hollander and Einwohner (2004) summarize the theoretical positions on the role of intention in identifying resistance into three main ones. The first view considers the conscious intention of the actor crucial for the act to be regarded as a form of resistance. For example, Scott (1989) argues that the uncertainty associated with the outcome of resistance renders intention as the main indicator to classify the act as resistance. On a more cautionary note, Kerkvliet (2009) warns that many everyday actions that challenge the dominant rules and processes might seem like everyday resistance, but they could just be ways by which people "cut corners so as to get by". So, the distinction should be based on recognizing the intention of the actors to resist and oppose, target the superiors, or communicate their claims and interests relative to the dominant (237). The second perception suggests that assessing the

intention of the actors is almost impossible. Furthermore, assuming the researcher's ability to know the intention of actors could lead to inaccurate conclusions. Gupta (2010) underlines this intention-knowing-dilemma in his research on peasants' movements in India as he argues that the intention of the acts of poaching that Scott (1985) considered as resistance were perceived by the landowners as theft (92). This difficulty of knowing the actual intention of actors could lead different observers to tell different stories. Interestingly, Gupta (2010) adds that Scott's (1985) failure to see the intentions of the landowners in exaggerating the reported poaching, to justify their own dominance, led him to overestimating the significance of everyday resistance (92). This reliance on interpretation and intuition in interpreting motives makes researching intentions a risky approach. The third position claims that the actor's intention, consciousness, or recognition by the target of resistance, are not essential to classify an act as everyday resistance (Vinthagen and Johansson, 2013, Hollander & Einwohner 2004). The reasoning behind this claim is that people intend different things with the same act; survive, solve a problem, fulfill their needs, follow their passions, gain status, or resist (Vinthagen and Johansson, 2013; Jefferess, 2008; Lilja & Vinthagen, 2009). Hence, there is a need to shift our attention away from studying consciousness and intention of the act to focus more on evaluating the "nature of the act itself." (Weitz, 2001, 270; Vinthagen and Johansson, 2013, 20; De Carteau, 1984; Ortner, 1995, 175). This evaluation should be based on the act's potential, regardless of the actual outcome, to undermine power (Vinthagen and Johansson, 2013, 18). Given these three views on the significance of intention in the analysis of everyday resistance, the third position seems to be the most plausible. The impossibility of knowing the actors' intentions along with the focus on intention in understanding everyday forms of resistance would limit, if not eliminate, the scope of any fruitful empirical attempts to study the phenomenon of everyday resistance. Actors are

heterogeneous with multiple intentions that vary across time and space as they're "contingent" upon different situations and contexts (Vinthagen and Johansson, 2013, 39). Accordingly, shifting from intention-centered analysis to understanding the acts of resistance in themselves, with relation to power, satisfies important empirical and theoretical necessities.

Adopting the third approach implies that considering an everyday act as a politically consequential form of resistance will be based on its potential, rather than its actual contribution, to undermine power. However, the literature leaves us with no clear guidance on classifying the acts based on this criterion. This urges us to present a basic understanding of the power relations in the society in order to identify the acts of resistance. To avoid complications, we adopt the definition of power proposed by French and Raven (1959) such that power is a state of affairs where an actor A exerts influence on an actor B that makes the change in the latter's behavior more likely. This simple notion allows us to identify when power is undermined. If actor A failed to change the behavior of B according to A's desires, then A's power is undermined. For example, if the state attempts to influence its citizens' behavior by imposing taxes, then citizens' lack of compliance would undermine the power of the state. In other words, if an act undertaken by the individuals to hinder the materialization of the objectives of the state, it would be considered as resistance. In that relation, the weak is actor B, and the dominant is actor A. Thus, the definition of the weak is not constrained by a specific social group, but it is malleable and context-specific and so it could be generally understood as those who are at the receiving end of the influence. The weak do not make the rules, but they have to follow it or resist. Moreover, the criterion implied in the adopted approach does not focus on the actual outcome of the act, but only its potential. This is not a specific characteristic of everyday resistance, but it applies to all forms of resistance. A revolution is considered an act of resistance as it has the potential to

undermine power and aim at challenging it, regardless of the outcome. More explicitly, there is little need to know whether a certain change was brought by the act of resistance or not as the success of the act is not the indicator of its resistance-motive. Therefore, an act is considered a form of everyday resistance when it is performed by those at the receiving end of the influence to potentially undermine the influence of the dominant, or the rule-makers, on their lives by engaging in disguised, individual, and largely unorganized regular practices.

To sum up, the theory of everyday resistance brings another perspective into the heart of understanding political behavior at the grassroots level. It identifies a set of regularly practiced, habitual, seemingly apolitical, unorganized, disguised, and anonymous acts that are employed by the weaker members of the society to undermine the existing power. These scattered individual actions could accumulate to shape aggregate consequences that go beyond their triviality (Scott, 1989, 34). Yet, the everyday hidden resistance do not exist independent from public resistance as both forms interact in different ways. Despite the merits of this theory, it faces a major challenge in defining everyday resistance without exaggerating the phenomenon or stretching the concept. One proposed way to tackle this issue is by defining the act as everyday resistance according to its potential to undermine power and regardless of its intentions. With this understanding, one can lessen the problem of conceptualizing everyday resistance.

Having presented the general outline of the theory of everyday resistance, we argue that it still needs further development for three main reasons. Firstly, most of the literature is still confined to descriptive narratives of everyday resistance. The theory does not "expect or explain change" due to its tendency towards induction instead of deduction (Gutmann, 1993, 87). Secondly, most of the empirical research conducted on everyday resistance employs case studies, while comparisons across cases are rare. This undermines the generalizability of the theory.

Thirdly, despite that the development of the theory started around three decades ago, most of the literature is confined to agrarian communities in developing countries with little progress in employing the theory in understanding other communities at different levels of development. These three drawbacks outline our research agenda. Accordingly, this research is trying to understand the factors determining the extent of everyday resistance. It takes our current understanding of the phenomenon a step further by testing a set of hypotheses derived from the theory cross-nationally and so providing the first, to our knowledge, generally relevant analysis of everyday resistance. Yet, to undertake this task, one needs to identify a convenient operationalization of everyday resistance that could be useful for cross-national analysis. We propose the usage of the size of the informal economy as a proxy for the extent of everyday resistance.

Chapter 2: Informal Economy as an Everyday Form of Resistance

In his investigation of everyday resistance, Scott (1989) presents a set of everyday techniques that are employed by the "weak" to subvert the material domination of the powerful including squatting, poaching, tax evasion, desertion, and foot dragging. Although these forms of resistance are all against material domination, they differ in the type of the material that is being dominated. More explicitly, squatting and poaching are examples of resistance against material domination of natural resources, tax evasion represents resistance against both domination of capital and labor of the weak, and desertion and foot dragging portray resistance against domination over labor resources. Thus, material domination could be defined as the control of the powerful social groups or institutions over economic resources; nature, capital, and labor, which limits the rights of the weak to equally access and use these resources. Since the market is the arena where power over economic resources is exercised by different interacting agents, it is also the place where domination and resistance could be practiced. The state and large businesses employ their power to set the rules of the game, and the weak can either abide or resist. On the one hand, if the weak perceive the rules to be fair and their makers to be legitimate, then abidance will be a reasonable choice. On the other hand, when the legitimacy of the lawmakers is eroded and the established economic order is perceived to be unjust, resistance would come to the surface as the choice of the weak. However, open resistance to established economic systems is hard, costly, and risky. Hence, resistance will be driven to the shadows of the economic system where ordinary people will try to challenge, overcome, and undermine the authority in order to

play with their own rules. In opposition to the formality required by the authority, they will choose the informality to resist and survive. Accordingly, we argue that participation in the informal economy, or shadow economy, is a form of everyday resistance against domination in the economic sphere. In fact, the shadow economy is an area where a set of different strategies are employed by the weak on everyday bases to undermine economic domination. This does not negate, but complements, the claim that engaging in informal economic activities is a self-interested opportunistic economic behavior. In this section, we start by summarizing the main views on the drivers of informal economies, and then we proceed to outline the element of resistance in informal economies.

The definition of informal economy has gone through several modifications over time. Biles (2009) states that understanding the informal economy has evolved from the simplistic notion of the size of the firm to focus more on the legal status of the activity, the relationship between the employer and the employee, and the working conditions (216). Rather than defining economic informality according to the scale of the firm, its resources (Moser, 1978), or technology, it is now perceived as carrying out legal economic activities, but without being registered, recorded, licensed, taxed, or regulated by the government (Portes, 1995; Thomas, 1992; Nichter and Goldmark, 2009). This takes place to avoid tax payments, social security contributions, labor market regulations, and administrative obligations (Hussmanns, 2005,10; Schneider, 2012, 6). To explain the emergence of informal economies, the literature provides us with four theoretical frameworks; the modernization argument, the neo-liberal argument, the structuralist perspective, and the post-structuralist view.

Inspired by the early works on informal economies in the developing world (Hart, 1973), the modernization argument considers informal economies as a remnant of earlier modes of

production fading away with modernization and formalization of the economy. According to this view, due to a set of structural and demographic factors, the formal economy's capacity to create jobs might not be able to keep up with the pace of population growth. Hence, informal economy would grow as a "safety net" or a "last resort" for those who are left behind by the formal sector (Perez Sainz, 1998). It is a means for subsistence for those who fail to overcome the barriers to entry to the formal sector (Portes and Schauffler, 1993; Gilbert, 1998). From this perspective, the informal economy would be "countercyclical" as its size is negatively related to the formal economy (Packard, 2007). Simply, informal economy is a sign of "traditionalism," "under-development," and "backwardness" that vanishes gradually with economic modernization (Geertz, 1963; Gilbert, 1998; Lewis, 1959; Packard, 2007). However, this argument came under scrutiny by many scholars who showed that the informal economy remains a characteristic feature of many economies on different levels of development (Antonopoulos and Mitra, 2009; Bureau and Fendt, 2011; Dibben and Williams, 2012; Gurtoo and Williams, 2009; Hudson et al., 2012; Small Business Council, 2004; Valenzuela, 2001; Webb et al., 2009; Williams, 2007; Williams and Nadin, 2010, 2013).

Instead of portraying the beneficiaries of the informal economy as victims directly forced out of the formal system, several neo-liberal commentators provide an alternative view. Actors in the informal sector are rational agents who voluntarily chose to opt out of the formal sector to increase their economic gains, satisfy their own needs, and resist the imperfections of the formal system represented in high taxes, corruption, inefficient state bureaucracy, government over-regulation, state incapacity, and state oppression (Becker, 2004; De Soto, 1989, 2001; London and Hart, 2004; Nwabuzor, 2005; Sauvy, 1984; Perry and Maloney, 2007). In that sense, informal economic activity is a form of entrepreneurship that is built on the merits of informality

such as flexible hours, easy entry to the labor force, economic independence, and avoidance of taxes and inefficient government regulations (Maloney 1999, 2004; Packard, 2007). In fact, this view was supported by empirical evidence from a wide array of developing, transition, and developed economies (Cross, 2000; Cross and Morales, 2007; Neuwirth, 2011; Perry and Maloney, 2007; Chavdarova, 2002; Round, Williams, and Rodgers, 2008; Snyder 2004; Vantkatesh, 2008; Williams, 2006). Briefly, neoliberals claim that participation in the informal sector is a pragmatic voluntary resistance to state's malfunctioning.

The structuralist view places the local economy in a global context. It presents the informal economy as a direct by-product of the emergence of a deregulated global open economy (Castells and Portes, 1989; Gallin, 2001; Hudson, 2005; Portes, 1994; Sassen, 1996; Slavnic, 2010). The integration of the world economies into a single unit exerted downward pressure on wages. In addition, the neo-liberal policies implemented by many governments, especially in the developing world, has led to erosion of incomes, social benefits, and the abandonment of many workers with no option, but to create their own jobs (Klein and Tokman, 2000). Accordingly, in contrast to the neo-liberal perspective that draws a relatively optimistic picture of the informal economy as a haven for profit-seeking anti-regulation entrepreneurs, the structuralists argue that the participants in the informal sector struggle in an unregulated, poorly paid, need-based, insecure type of work under "sweatshop-like" conditions. However, they agree with the proponents of the modernization argument that participation in the informal sector is involuntary due to the inability of the formal sector to absorb the growing labor force (Castells and Portes, 1989; Davis, 2006; Gallin, 2001; Hudson, 2005; Sassen, 1996).

Finally, the post-structuralists attempt to reveal the attitudinal, communal, and social factors that push actors to engage in the informal sector. They underline that people's tendency

to participate in the informal economy signifies a sphere of hope not despondency (Chakrabarty, 2000; Escobar, 1995; Gibson-Graham, 1996; Leyshon and Lee, 2003; Williams, 2005). In addition to agreeing that people are economic actors, they emphasize that they're also social agents. People have a variety of social motivations to participate in the informal economy such as enhancing social relations (Williams, 2005; Williams and Renooy, 2013), support for social solidarity and redistribution apart from pure economic gains (Perrson and Malmer, 2006; Williams and Round, 2008; Williams, 2004), resisting exploitation, corruption, and institutional exclusion (Biles, 2009; Kudva, 2009; Whitson, 2007a, 2007b; Adom and Williams, 2014; Krishna, 2002; Hossein, 2013; Gray, 2004, 2003), or as a way to express a certain work identity and a lifestyle (Snyder, 2004). Therefore, informal economy should be understood socially as well as economically.

These four views complement each other to form a richer picture of how informal economies emerge. None of them is universally valid (Williams, 2013). For example, the structuralist explanation is more valid regarding informal waged work, while the neo-liberal and the post-structural perspectives do better job in explaining informal enterprises and self-employment (Perry and Maloney, 2007; Williams, 2010; Chen, 2006; Williams and Round, 2010; Adom and Williams, 2014). The power of the explanation also depends on the characteristics of the studied society. The structuralist and post-structralist views can better explain deprived populations, while the neo-liberal perspective is more related to relatively affluent societies (Evans et al., 2006; Gurtoo and Williams, 2009, Pfau-Effinger, 2009; Adom and Williams, 2014; Hossein, 2013). Interestingly, despite the abundance of explanations, they have different shares in the literature. More precisely, a larger section of the literature is dedicated to the neoliberal and structuralist perspectives, while the post-structuralist view

receives less attention. Accordingly, this paper contributes to both the neoliberal and post-structuralist perspectives by highlighting that engaging in the informal economy is a form of everyday resistance to governmental malfunctioning and the perceived unjust material domination. Yet, this does not cancel out the other determinants of the informal sector.

The idea that informal economy is a form of resistance is rooted in the neoliberal and the post-structuralist literature. The neoliberal view allows for multiple motivations for the act of engaging in the informal sector by emphasizing the benefits of participating in the shadow economy and noting the indirect resistance to the state underlying these hidden activities. The post-structaralist perspective takes a clearer and a more direct stance regarding the resistance motivations of the act. For example, Whitson (2007a, 2007b) argues that the participation of the Argentinian workers in the informal sector came as a form of resistance to the exploitive neoliberal economic system that threatened their livelihood. Also, Hossein's (2013) study of the informal banks in Jamaica and Guyana show that these banks were founded as an intentional resistance towards the exclusionary and politicized formal banking sector. Clearly stated, informal banking was the resistance of the ordinary people against the "big men" who are controlling their lives (90). In Ghana, Adom and Williams (2014) found out that one third of their sample of participants in the informal economy have resistance-based motivations. These studies underline the fact that resistance to material domination might be a clearly defined motivation for participating in the informal economy. Additionally, this form of economics resistance carry many characteristics of the everyday resistance which makes it a good, and probably the most comprehensive, example of everyday resistance to material domination.

Participating in the informal economy represents the most common example of everyday resistance for several reasons. Firstly, by definition, since the informal economy is hidden,

disguised, unregistered, undeclared, and anonymous, it enjoys some of the most essential characteristics of everyday resistance. Secondly, informal economic activities are mostly carried out by individuals or small groups who are left without a clearly stated form of organization. In many ways, these activities are unsystematic, unorganized, but they rarely need coordination. Thirdly, participation in the informal economy has the potential to undermine the power of the dominant, or more privileged, groups. Feige (1990) and Loayza (1997) point out to the role of informal activities in circumventing institutional rules. Minniti (2008) and Estrin et al. (2012) add that they upset the regular market mechanisms by absorbing the resources from the formal sector. Furthermore, this could push the formal economic actors to question their activities, or even be drawn towards informality which undermines the existing institutions even more (Mathias et al., 2015, 253). As argued by Vinthagen and Johansson (2013) that acts of everyday resistance should be evaluated based on their potential to undermine power, participating in the informal economy provides a clear example of an activity that potentially erodes the authority. Fourthly, despite operating outside the realm of the state's law, the informal economy is largely perceived to be legitimate by ordinary citizens. Webb et al. (2009) depict informal firms as "modern-day Robin Hoods" who are perceived to be legitimate by the local communities despite their stance against the law. Even in advanced economies like Germany, most of survey respondents disagrees that informal labor suppliers should be reported to the police (Haigner et al., 2013). Thus, participation in informal economic activity is supported by a consensus among significant part of the population who grant it its moral legitimacy vis-à-vis the state. Korovkin (2008) claims that this is an essential qualification for the act to be considered as everyday resistance. Fifthly, similar to everyday resistance, informal economic activities compel the state to respond (Hollander & Einwohner 2004). Williams and Lansky (2013) show that states choose

to respond to these activities, instead of choosing to "do nothing", to bring them out of the shadows to the light of the law using a set of "sticks and the carrots" approaches under the umbrella of deregulation or promoting formalization. Finally, the operation of informal markets compiles a set of techniques that are representative of everyday resistance. For example, street vendors employ tax evasion, squatting, and even poaching. A fisherman who caught a fish from the sea committed poaching, then he occupied a space in the street to sell his fish which is similar to squatting, then he took his income home without reporting the activity to the government and so evaded taxes. Although this example seems to be simple, its aggregation builds the informal economy with its actors interacting on daily bases in the shadows to undermine the power of the dominant, oppose material domination, and resist an unjust and exclusionary economic order.[3]

To sum up, there are many ways to look at the emergence of the informal economy. We identified four main theoretical frameworks in the literature; the modernization argument, the neo-liberal argument, the structuralist perspective, and the post-structuralist view. Within these frameworks, the neoliberal and the post-structuralist perspectives suggest the motivation of resistance as a factor shaping the emergence of informal economies. However, they propose different means of resistance; exit and voice. The neoliberal perspective propose that the informal economy is resistance by exiting, while the post-structuralist sides with the notion that there is a motivation to voice discontent against an existing order (Hirschman, 1970). Since participation in informal economic activities is a compilation of acts of everyday resistance that

[3] Another possible understanding of the informal economy is that it is a proxy for the space of contested dominance between different groups including the state. In the informal economy, individuals, groups, and the state compete to impose their own rules and fulfill their own interests. However, even if we adopt this explanation of informal economy, it still can act as a proxy for everyday resistance. Since state is involved in the contestation with the goal of formalizing that section of the economy, therefore, the rest of the actors are resisting state's dominance regardless of the level of contestation among them. In a sense, they're united against the state, but could be divided among themselves.

are disguised, largely individualistic, locally legitimate, placed against the dominant power, potentially undermining power, and compelling the state to respond, everyday resistance could be analyzed through the lens of exit and voice strategies of resistance. Thus, the informal economy would represent the arena where those at the receiving end of the rules, with insignificant ability to alter them, resist what they perceive to be unfair, unjust, burdensome, or inefficient rules set by the authority, of the more powerful groups, represented by the state.

Chapter 3: Research Hypotheses

Being rooted in anthropological studies, most of the literature on the theory of everyday resistance is based on case studies of agrarian communities in developing countries. Given the nature of this methodological approach, scholars of everyday resistance managed to generate a set of hypotheses. Yet, they remain scattered throughout the literature, dependent on the nature of the selected cases, vaguely stated, and need further testing for their external validity. In this section, we build on the existing literature by formulating three sets of complementary hypotheses that aim at understanding the determinants of the extent of everyday resistance against material dominance. Firstly, everyday resistance is a phenomenon rooted in structural factors. Secondly, everyday resistance is an exit strategy of resistance in response to institutional malfunctioning. Thirdly, everyday resistance is a reflection of latent anti-authority attitudes and so represents an indirect way to voice these attitudes. Therefore, the upcoming analysis aim at placing everyday resistance in a certain structural context while linking its strategies to their nature as a combination of tendencies to "exit" an existing system and "voice" latent attitudes against the dominant authority (Hirschman, 1970).

The first set of hypotheses aims at understanding the structural causes of everyday resistance. Resistance is fundamentally related to power, and so it should be explained in relation to the existing power structure in the society (Foucault, 1978, 95-96, De Carteau, 1984, 34; Vinthagen and Johansson, 2013, 39). Variations in the distribution of power in society create boundaries between the weak and the powerful. More explicitly, it opens the door for the hegemony of the powerful and the resistance of the weak. Hence, resistance is a function of

political and economic inequalities in the society. Everyday resistance is no exception. Scott (1989) identifies material domination as a fuel for everyday resistance (27). This suggests that everyday resistance is a function of economic inequalities in the society. Thus, our first hypothesis is:

H1a: As levels of economic inequality increases, the extent of everyday resistance grows.

Moreover, the choice of disguise and anonymity as an essential strategy of everyday resisters emphasizes the risks associated with their actions. It pinpoints to the existing severe inequality in the distribution of power that deem open protest hazardous. In fact, Scott (1989) argues that the techniques of everyday resistance are sounder in societies facing more repressive authorities as they minimize the costs of opposition (24). Accordingly, one should expect everyday resistance to increase in more authoritarian societies with severer political inequalities. This brings us to the second hypothesis:

H1b: Everyday resistance is more likely to flourish in societies with more repressive, authoritarian, regimes where political inequalities are severer.

The last two hypotheses on the role of structure in shaping everyday resistance are related to the form of the dominant economic activity and the level of economic development. As previously mentioned, the largest part of the literature is focused on everyday resistance in agrarian communities in developing countries (Scott 1976, 1985, 1987; Martinez-Alier, 1977; Colburn, 1986; Montoya, 1982; Korovkin, 1990; Kerkvliet, 1993; Adnan, 2007; Gupta, 2010). This imposes the question of whether agrarian communities or developing economies have certain characteristics that makes disguised resistance appealing. For example, agrarian communities could be more risk averse, more submissive, or prefer less confrontation with the more powerful

city-dwellers. Simply, there is a need to understand how far everyday resistance practices go beyond agrarian societies and developing economies and whether it is a general form of resistance regardless of the profession, the class, or the economic welfare of its actors. Thus, we test for the last two structural hypotheses:

H1c: Agrarian communities are more likely to employ forms of everyday resistance.

H1d: Everyday resistance is more likely to take place in developing economies.

The second set of hypotheses views everyday resistance to material dominance as a set of activities to exit the existing order as a way to object to institutional malfunctioning. However, for this resistance to take place, it must be driven by existing institutional inefficiency coupled with the ability to resist. Everyday resistance could be an expression against a certain institutional set-up that is inefficient, unfair, or corrupt. Because the weak have little say in changing the existing political institutions, they undermine the power of institutions and escape their authority by their daily techniques of hidden resistance. In a sense, everyday resistance is a long-term slow strategy employed by the weak to erode the existing inefficient institutions and render their change to meet their needs inevitable. A good example to illustrate this is the resistance of the peasants in Hungary to the "subsistence-threatening crop deliveries" to the socialist state in the 1940s and 1950s and in China to the communist policies of collective farming during the 1960s and 1970s. In both cases, the peasants' resistance made changing the inefficient economic institutions inevitable and led to economic liberalization (Scott, 1989, 16-17). Accordingly, one can propose that everyday resistance is a reaction to institutional malfunctioning.

H2a: The level of everyday resistance is positively related to the extent of institutional malfunctioning in the state.

In order for the weaker groups to sustain a level of disguised resistance against the authorities, the resisters need to have considerable level of trust among each other. Otherwise, informants would prevail and any form of disguised resistance would vanish quickly. In a way, horizontal interpersonal trust glues the powerless individuals together by a social contract that solidifies them towards the hegemony of the less trustworthy dominant institutions. This is formulated in the following hypothesis:

H2b: Everyday resistance is more likely to exist in societies with high levels of interpersonal horizontal trust.

The last set of hypotheses is concerned with the attitudinal factors influencing everyday resistance. One of the most debatable issues regarding the conceptualization of everyday resistance is the significance of the intention of the action. Several scholars warned that many of what is classified as acts of everyday resistance might have no political motives, but rather be self-interested opportunistic behavior (Kerkvliet, 2009, 237; Scott, 1989, 21). Others argued that these actions could have multiple interacting intentions (Vinthagen and Johansson, 2013; Jefferess 2008; Lilja & Vinthagen 2009). Thus, it's important to identify the contribution of the anti-authority attitudes to the level of everyday resistance. These attitudes would represent the size of the voicing component in everyday resistance. However, these attitudes could be made public or kept hidden. According to the logic of everyday resistance, we should observe strong latent attitudes against authority paralleled with weak public visibility of these attitudes. This relationship between overt and covert forms of resistance was discussed in several case studies in

the literature (Adnan, 2007; Turton, 1986; O'Brien and Li, 2006; Walker, 2008; Kervliet, 2009; Scott, 1986). To understand this relationship, we test for the two following hypotheses:

H3a: Everyday resistance is positively related to the latent ant-authority attitudes.

H3b: Everyday resistance is negatively related to the publicly displayed anti-authority attitudes.

These hypotheses would enable us to draw a general picture of everyday resistance. They investigate the structural, institutional and attitudinal roots of the phenomenon. They also provide us with an understanding of the contribution of the "exit" and "voice" components entailed in everyday resistance. This contributes to our general analysis of everyday resistance as a political action entrenched in deep causes.

Chapter 4: Methodology and Data

In order to investigate the main hypotheses, the analysis is divided into two main stages. Firstly, we examine the main characteristics of everyday resistance by looking at the factors associated with this form of resistance. This is done by estimating the Pearson's correlation coefficients between the size of the shadow economy and other relevant factors and determining their levels of significance. Secondly, we investigate the causal determinants of everyday resistance using OLS regression analysis. The estimated model is represented in the following equation:

$$\text{EVERYDAY RESISTANCE} = \beta_0 + \beta_1 \text{ STRUCURE} + \beta_2 \text{ INSTITUTIONS} + \beta_3 \text{ ATTITUDES}$$

The main dependent variable is everyday resistance. However, due to the lack of any detailed comparable records for these disguised resisting activities, we use the informal economy as a proxy of everyday resistance. As previously argued, the informal economy represents a realm where a wide array of everyday resistance activities takes place on daily bases. Accordingly, we employ the percentage of the shadow economy relative to the country's GDP as a proxy for the extent of its everyday resistance. This comes with recognizing that using informal economy as a proxy for everyday resistance might overestimate the size of the actual everyday resistance. However, we assume that this overestimation would be a consistent property across different observations, and so the comparability of countries could still be carried out. In addition, it could be the case that there are other acts of resistance to material domination performed outside the informal economy which is not captured by this measurement, but contribute to making the overestimation less of a problem. The data for the informal economy is

obtained from the estimation using MIMC method by Schneider (2012). We use the average size of the shadow economy of the period (1999-2007) covered by the dataset as the main dependent variable. This estimation of the informal economy is based on conceptualizing it as "all market-based legal production of goods and services that are deliberately concealed from public authorities". This could take place in order to avoid: payment of different forms of taxation or social security contributions, having to meet certain labor market standards, or complying with certain administrative obligations (6). This conceptualization has several advantages for our research purpose of understanding everyday resistance. First, it emphasizes the element of disguise in the activity which is a fundamental property of everyday resistance. Second, it is confined to the activities undertaken against the dominant authority represented in the government and its institutions. In other words, it defines the strong and the weak in the economic sphere according to their role as law makers/implementers or law receivers, or as governing institutions and governed actors. Third, it excludes illegal economic activities, like drug trade or human trafficking. Although these activities are mostly hidden and against public authorities, they are specialized, and relatively professional, acts that are not undertaken, or even approved, by the average citizen. Fourth, since the economic activities carried out within the household are barely subject to government policies or supervision, they have no significant relation to the dominant authority which makes discarding them from the definition convenient for understanding resistance. Accordingly, operationalizing the shadow economy based on this conceptual understanding renders it a suitable proxy for the scale of everyday resistance as it captures the level of disguised legal economic activities that are undertaken in response to state's authority.

The dependent variables are divided into three main groups, following the structure of the research design. The first four hypotheses tackle the structural factors behind everyday resistance; economic inequality, political inequality, agricultural economy, and level of economic development. This is translated into four independent variables under (STRUCTURE). The level of economic inequality is measured by the Gini index as estimated by the World Bank. The index is scaled from 0 to 100 with higher values implying higher income inequality. Political inequality is captured through the country scores of the World Bank Governance Indicators for voice and accountability which measure the perceptions of the extent of citizens' freedom of: participation in selecting their government, expression, association, and having free media. They range from -3 for the least free countries to +3 for the freest countries. Since lower scores indicate more repression, they highlight the gap between those in power and the ordinary citizens. Moreover, to understand how far the agrarian nature of the economy contributes to the scale of everyday resistance, we employ the percentage of value added by agriculture to GDP as a proxy for the relative size of the agrarian economy. This is obtained from the World Bank Development Indicators for the year 2007. Lastly, the level of economic development is incorporated into the model through the log of the Gross Domestic Product which is obtained from the World Bank Development Indicators dataset. In addition to these structural factors, we control for the level of educational attainment in the population through the literacy rate obtained from the World Bank Development indicators. [4]

The second set of independent variables (INSTITUTIONS) focuses on the notion of institutional malfunctioning as a cause of everyday resistance. This institutional malfunctioning

[4] The data obtained from the World Bank Development indicators are for the year 2007, however, we use the closest available data if they were missing for that year. For the World Bank governance indicators, the average for the covered period is employed. These choices are driven by the availability of the data.

could have multiple dimensions and so we employ several variables to capture its various aspects. Since exiting to informality is highly motivated by avoiding taxation, the size of the informal sector is expected to be sensitive to the level of taxation. This is incorporated into the model through the Heritage Foundation index for fiscal freedom which entails the level of direct tax burden on individuals and corporations, as well as, the overall amount of tax revenue as percentage of GDP. Besides taxation, economic activities could also be burdened by inefficient and highly demanding bureaucratic procedures. To include the burden of governmental regulations in different aspects of economic activities, we use few components from the Economic Freedom Index by the Heritage foundation like business freedom, monetary freedom, trade freedom, labor freedom, investment freedom, and financial freedom. Additionally, the ability of the state to secure the property rights of the individuals is captured through property rights index by the Heritage Foundation. For the Heritage Foundation indices, the scale ranges from 0 to 100 where higher values indicate less tax burden, less regulatory burdens, and more protection of private property rights.[5] Another group of institutional factors is included to tackle more general institutional characteristics including the level of control of corruption, government effectiveness, rule of law, and regulatory quality. They are captured through the World Bank governance indicators with values ranging from -3 to +3 with higher scores implying better performance on each of these dimensions. The selection of these institutional factors follows the empirical literature on the institutional causes of informal economies (D'Hernoncourt and Meon, 2008; Lee, 2013; Kuehn, 2013).

In addition to these institutional factors, hypothesis (2b) investigates the role of the informal alternative of state's institutions represented in social trust which might be necessary

[5] They're measured for the year 2007, with the closest year as a proxy in case of unavailability of data.

for sustaining the everyday resistance. To include this into the analysis, the level of interpersonal trust is measured from the World Values Survey. The standard measure of interpersonal trust is the percentage of respondents who respond affirmatively to the question of "Generally speaking, would you say that most people can be trusted or that you need to be very careful when dealing with people?". This measure has been used repeatedly in the literature (Knack and Keefer, 1997; Zak and Knack, 2001; Beugelsdijk et al., 2004; Bjornksov, 2006). Since Bjonksov (2006) and Tabellini (2007) show that trust is stable over time, we employ the average value over survey's rounds.

The last set of independent variables (ATTITUDES) aims at capturing the latent and displayed anti-authority attitudes that shape everyday resistance. Given the economic benefits of working in the shadows, it is a safe assumption that shadow economy is motivated by self-interest. However, the more challenging task is to identify how far it is also influenced by the tendency of political resistance and the attitudes towards the existing authority. For political resistance to take place, it is very likely to be perceived as a just act by its doer against illegitimate authority and be coupled with attitudes against the authority. These attitudes could be latent or visible (Kuran, 1991). Thus, we suggest three proxies that try to capture citizens' latent approval of resisting the authority by justifying breaking its laws. The three measures are constructed from answers to three questions in the World Values Survey. They are derived from the question stating "Please tell me for each of the following actions whether you think it can always be justified, never be justified, or something in between: claiming government benefits to which you are not entitled, avoiding a fare on public transport, and cheating on taxes if you have a chance". On a ten-point scale, we take the average answer to each of these questions as our proxy for tendency to resist the authority. Moreover, to capture the public anti-authority

attitudes, we look at the data of the actual or potential participation in acts of public contention. The data for this is obtained from the World Values Survey questions on participation in publicly contentious acts. More specifically, the actual or potential participation in public politically contentious acts is estimated from the percentage of respondents who answer by "have done" or "might do" to the question of whether they "have done", "might do", or "would never do under any circumstances" contentious political actions like signing a petition, joining boycotts, attending peaceful demonstrations, or joining unofficial labor strike. These data are averaged over the different rounds of the survey to capture the mean level of exercised and potential public contention for each country.

In order to undertake this analysis, we employ an initial sample of 91 countries that is compiled from the aforementioned sources. The advantage of this sample is that it gathers countries from different regions and levels of development to provide a general understanding of the phenomenon. Moreover, since there are several candidates of independent variables that are suggested in the literature to be incorporated in the regression analysis, we employ two main model-specification methods to select the more relevant variables for the general model. The first technique is the backward-selection method which works by fitting the dependent variable on all regressors, estimating the contribution of each regressor to the model, the least significant regressor at the 90 percent level is dropped, and the process is repeated till all the variables in the model are significant at that specified level. The second technique is the forward-selection procedure which starts by estimating a model with only the intercept, then regressing the dependent variable on each regressor separately, determining the contribution of each regressor to the model, adding the most significant regressor at the 90 percent level, and continuing the

process by adding new variables until none of the added variables contribute more to the model.[6] Although these procedures for model-selection were subject to criticisms mostly due to its dependence on an automatic algorithm rather than theory to build the model which could lead to spurious findings, this could be less of a problem in our case as all the incorporated variables are backed by theoretical evidence that suggests their candidacy (Judd et al., 2008, 204). Thus, the model-selection procedure is used to weigh the relevance of competing perspectives.

[6] The procedure is done using both the Wald Test and Likelihood Ratio test for robustness. They both yielded the same results.

Chapter 5: Findings

5.1. The Factors Associated with Everyday Resistance

The first part of the analysis looks at the main factors associated with the emergence of everyday resistance represented by the size of the shadow economy. Although the global average size of the shadow economy relative to GDP is 31 percent, its size in the developing countries is almost double that in advanced economies, 35.2 percent for developing economies versus 17.7 percent for developed ones.[7] This means that there is a larger room for practicing everyday resistance to material domination in developing countries within their larger informal economies. Since our analysis assumes that shadow economy is positively correlated with the extent of everyday resistance to material domination, we determine the factors associated with the extent of everyday resistance to material domination by tracing their relationship to the size of the shadow economy. The results are summarized in table (1).

Firstly, the scope of everyday resistance is significantly associated with a set of structural factors, but with variant levels of strength.[8] The contribution of different forms of the economic activities to the country's GDP is one of these fundamental factors. The variation in the contribution of agriculture to the country's income explains around 50 percent of the differences in the size of the shadow economy with a positive correlation. On the contrary, the contribution of the service sector is negatively correlated with the shadow economy, but it explains around 38 percent of the latter's variation. These two aspects of the nature of economic activities are

[7] We use the IMF classification of advanced and developing economies in 2007 to distinguish between the two classes of countries.

[8] The interpretation of the correlation coefficients is based on Dancey and Reidy's (2004) categorization as the following: weak correlation (0.1 : 0.3), moderate correlation (0.4 : 0.6), and strong correlation (0.7: 0.9).

reflected on the relationship between the GDP per capita and the size of the shadow economy. The results show that the size of the shadow economy is negatively correlated with the level of economic development, captured through the GDP per capita, as the latter explains about 67 percent of the variation in the former. These findings indicate that everyday resistance to material domination is more likely to flourish in agrarian societies at earlier stages of development. As countries move forward in their levels of development by shifting from the dependence on agricultural activities towards expanding their service sector, the arena of everyday resistance shrinks.[9]

Table (1): Pearson's Correlation Coefficient

The Associated Variable	Pearson's Correlation Coefficient
Structural Factors	
Agricultural Contribution to GDP	0.5088***
Service Sector Contribution to GDP	-0.3808***
GDP per Capita	-0.6657***
Gini Coefficient (Economic Inequality)	0.2588**
Voice and Accountability (Political Equality)	-0.4633***
Working Class Self-Identification Percentage	0.1705
Literacy Rate	-0.2991***
Institutional Factors	
Government Effectiveness	-0.6989***
Regulatory Quality	-0.6238***
Rule of Law	-0.7179***
Control of Corrupt.	-0.6899***
Property Rights	-0.5806***
Fiscal Freedom	0.2917***
Business Freedom	-0.4786***
Government Spend.	0.3679***
Labor freedom	-0.1611
Investment Freedom	-0.4166***
Monetary Freedom	-0.4381***
Trade Freedom	-0.3051***

[9] It is relevant to point out that this relation is based on the nature of economic activity rather than the class structure of the society. When we test for the correlation between the percentage of the population who identify themselves as working class, as indicated by the World Values Survey, we find that the correlation is not significantly different from zero.

Financial Freedom	-0.3041***
Generalized Interpersonal Trust	-0.5954***
Trust in Parliament	-0.1208
Trust in Government	-0.0321
Trust in Justice System	-0.3807***
Trust in Civil Service	-0.0962
Latent Anti-Authority Attitudes and Public Contention	
Justifiable Avoidance of Public Bus Fare	0.2786***
Justifiable Claiming Undeserved Gov. Benefits	0.0152
Tax morale	0.1845*
Actual and Potential Participation in Petitions	-0.4615***
Actual and Potential Participation in Demonstrations	-0.2105*
Actual and Potential Participation in Unofficial Labor Strikes	-0.2769**
Actual and Potential Participation in Boycotts	-0.4768***

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

In addition to the structural factors related to the economic activities, the distribution of economic and political resources within the country play a role in shaping the extent of everyday resistance. Although we find a significant positive correlation between economic inequality and everyday resistance, it is relatively weak. The positive sign indicate that everyday resistance to material domination is more likely to flourish in more economically unequal societies. With regard to political inequalities, the relationship is stronger. Using the World Bank measure for voice and accountability, political inequality explains almost half of the variation in everyday resistance. This indicates that the room of everyday resistance grows in societies with higher levels of repression where ordinary people are not guaranteed the rights to voice their demands and hold their officials accountable. [10] These findings indicate that the growth of everyday

[10] It is important to point out that the relationship becomes weaker when we employ Freedom House scores for Political Rights and Civil Liberties. Although the relationship between political inequality and the size of the shadow economy remains positive, the strength of the relationship drops by 16 and 13 points, respectively.

resistance comes in relation to political and economic inequalities, but with stronger association with the earlier.

Secondly, the scope of everyday resistance is significantly correlated with a set of institutional factors which confirms the basic notion that it is likely to be a pragmatic objection to institutional inefficiencies. Each of the four World Bank Governance indicators employed in our analysis: government effectiveness, regulatory quality, rule of law, and control of corruption, manages to explain at least 60 percent of the variation in the size of the shadow economy. The negative relationship indicates that the scope of everyday resistance decreases as governmental efficiency, quality of regulations, rule of law, and control of corruption are enhanced. In order to enrich the picture of the role of institutions in shaping everyday resistance in the economic sphere, we look at the institutions that are particularly relevant to the business sphere as indicated by the components of Heritage Foundation Index for Economic Freedom. We observe significant moderate correlations between the size of the shadow economy and indices of property rights, business freedom, fiscal freedom, government spending, investment freedom, monetary freedom, trade freedom, and financial freedom. However, the directions of the relationships differ. The direction of the relationship is negative for all the indices except fiscal freedom and government spending. Thus, the extent of everyday resistance to material domination diminishes as the economic atmosphere becomes freer and less burdensome. The rationale behind this could be that freer business environment provides equal opportunity for different actors to pursue their economic interests without oppression or control of the dominant factions and so offers less room for material domination and fewer reasons for resistance. However, the more puzzling finding is with regard to the positive signs of the correlation between the size of the shadow economy and the fiscal freedom and government spending indices. The sign indicates that

countries with less taxation and lower levels of government spending provide more room for shadow economies to grow. The underlying explanation here could be that these governments have fewer resources to spend and so it might end up with lower levels of public goods. In fact, the correlations between government effectiveness and both fiscal freedom and government spending is moderate, about 48 percent, and negative which supports this suggested explanation. Interestingly, the sensitivity of the size of shadow economy to each of these institutional factors differs between developing and developed countries as the latter is found to have stronger correlations. Accordingly, several aspects of institutional imperfections expand the scope of everyday resistance by increasing the size of the shadow economy.

Given the nature of its relationship with the performance of the official institutions, everyday resistance would require a substitute to regulate the relations among the members of the society which could be achieved through interpersonal trust (Fukuyama, 1995). However, the relationship between interpersonal trust and the scope of everyday resistance through informal economies is perplexing. Although we might expect that everyday resistance would flourish when horizontal trust is strong while trust towards existing institutions is weak, the findings tell a different story. Everyday resistance is not significantly related to levels of trust in the parliament, the government, or the civil service. However, it is negatively related to both interpersonal trust and trust in justice system. Thus, everyday resistance thrives in less trusting societies. There are two suggested explanations for this finding. The first one proposes that higher levels of interpersonal trust "spills up" to trust in institutions and so provides less motivation to resist (Suh et al., 2012). However, we find no significant correlation between interpersonal trust and trust in

institutions, except for the justice system.[11] The second explanation refers to the individualistic characteristic of everyday resistance and its disguised nature. As everyday resistance requires high level of secrecy and individual action, it could be associated with less trust in others to sustain its existence. Also, these lower levels of trust could explain why these societies resort to hidden individualistic resistance instead of public forms of contention as the latter would require more trust among actors. Yet, it is hard to verify that explanation empirically and the bottom line remains that everyday resistance tends to burgeon in less trusting societies.

The last set of factors associated with everyday resistance tackles the societal latent and displayed attitudes towards authority. The results indicate that two out of the three measures employed to capture latent anti-authority attitudes are significant and positively correlated with the extent of everyday resistance. Societies where more people perceive avoiding paying the bus fare or cheating to avoid taxation as justifiable acts are more likely to have a larger scope to practice everyday resistance. Accordingly, we can claim that everyday resistance is more likely to occur in contexts with higher latent anti-authority attitudes that are perceived to be justified by its holders.

Moreover, the relationship between different forms of public contention and everyday resistance comes as predicted. The extent of everyday resistance is negatively correlated with variant forms of public contention; petitioning, demonstrations, strikes, and boycotts. More precisely, actual or potential participation in petitions and boycotts explains almost half of the variation in the extent of everyday resistance across countries. The strength of the correlation drops to almost quarter for strikes and demonstrations. This indicates that societies with higher

[11] This positive significant correlation explains why trust in justice system is the only form of institutional trust that is correlated with the scope of everyday resistance through informal markets.

tendency to public display of contention and resistance are less likely to engage in everyday resistance. This comes in accordance with our understanding that everyday resistance is a substitutive alternative to public confrontation.

To sum up, these findings draws a picture of the societies where everyday resistance is more likely to flourish. Everyday resistance is more likely to take place in countries with economies at earlier stages of economic development, larger contribution of agriculture, and smaller contribution of service sectors to the economy. These societies suffer from different aspects of institutional malfunctioning along with lower levels of interpersonal trust. This is coupled with latent anti-authority attitudes with little public display of contention. These findings have to be perceived as a mere description of the societies where everyday resistance is more likely to take place, without drawing any causal inferences. To depart from this associational mapping of everyday resistance to drawing causal inferences, we analyze the findings obtained from the regression analysis.

5.1. The Causal Determinants of Everyday Resistance

For the second part of the analysis, the results from the OLS regression analysis offer a better understanding of the causal mechanisms underlying the extent of everyday resistance. In order to construct a general model to understand everyday resistance, we employed the procedures of both backward and forward selection for model-specification. The two processes yielded two sets of explanatory variables. The backward selection model yielded a twelve-variable model where everyday resistance is potentially explained by size of agricultural economy, political equality through voice and accountability, level of educational attainment, rule of law, level of interpersonal trust, protection of property rights, regulatory quality, business

freedom, latent anti-authority attitudes measured by government benefits and public transportation fare payment, and the level of actual and potential public contention through petitions and boycotts. The forward selection procedure specified a more conservative model with half of the number of the explanatory variables by including rule of law, level of interpersonal trust, protection of property rights, tax morale, latent anti-authority attitudes measured by government benefits, and actual and potential public contention through petitions.[12] The results are summarized in Table (2).

Starting from the more inclusive specification (2), one can claim that everyday resistance is a function of structural, institutional, and attitudinal factors without being independent from the level of public contention. Firstly, with regard to structural factors, the level of political inequality, captured through the measure of voice and accountability, is the only one which is significantly positive at the 95 percent level. This confirms hypothesis (H1b) that everyday resistance is more likely to take place as a reaction to political repression. Despite the importance of political inequaly, economic inequality seems to be less relevant to everyday resistance as it did not pass the tests of significance to qualify as an explanatory variable in the specified model which disconfirms hypothesis (H1a). Moreover, both the country's level of economic development and the scale of its agrarian economy are found to be insignificant at the 95 percent level, denying both hypotheses (H1c) and (H1d) enough support. Accordingly, these findings indicate that the structural factors exert their influence on everyday resistance mainly through the channel of political inequality, while factors like economic inequality, the agrarian nature of the society, or the level of economic development are of no significant importance. Simply put,

[12] It is important to note that each of these variables is significant at the 90 percent level, but we will focus our analysis on the factors significant at the conventional 95 percent level.

when the channels of "voicing" economic demands are closed, "exiting" the formal sector becomes the main resistance strategy (Hirschman, 1970).

Secondly, several institutional factors play a role in shaping the extent of everyday resistance, however, in different directions. Both the indices for the rule of law and regulatory quality are significantly negative at the 95 percent level. This indicates that everyday resistance would grow as a form of reaction to the deterioration of the rule of law and the governmental failure in regulating the public space. Yet, this logic comes under scrutiny as the protection of property rights significantly affects the extent of everyday resistance to material domination positively. This imposes a puzzle of how and why people make their decision to engage in everyday resistance to material domination. This finding indicates that there is certain everyday-resistance-conducting institutional set-up that is characterized by perceptions on poor governmental performance in enforcing laws and regulating the economic sphere coupled with legal protection of property rights. There are two possible explanations for this observed perplexing relationship. Methodologically, the indices for the rule of law and regulatory quality capture people's perception through surveys, while the index for property rights measures the protective capacity of the actual legal structure independent from people's perception. Hence, the survey-based indices might be providing a more realistic image of what people think and how they make their decisions based on their perceptions. Practically, this certain institutional set-up could be conductive to the emergence of shadow economic activities by providing the necessary opportunity structure. The weak executive aspect of governance gives the resisters an opportunity to get around the system without being caught, while the strong pro-private property rights legal institutions reduce resisters' expected costs as they could keep part of their gains in case of being caught. For example, a street vendor would use the chance of the absence of rule of

law to occupy a public space to sell his goods without having to pay any taxes or being licensed by the government, yet, he would still be able to keep his property in case of being caught and so would face low costs. Thus, this institutional set-up produces low risk opportunities with low expected costs.

Besides the importance of these institutional factors in shaping the opportunity structure that allows everyday resistance to exist, they play a role in influencing the motivations of the resisting agents. They provide a glimpse on what informal agents resist by exiting the formal sector. Paradoxically, the findings indicate that states with more ability to exercise their domination through their institutions, by enforcing laws and regulating markets, tend to face less resistance. This comes against the logic of everyday resistance as one should expect that more domination, represented in stronger states, will generate more resistance. The key to understand this paradox starts by distinguishing between what could be labeled as perceptions on *de facto* and *de jure* domination. To recall, the World Bank indicators on rule of law and regulatory quality captures people's perceptions on the efficiency of the law-maintenance and regulatory institutions, as well as, the fairness of the legal system and the freedom provided by the economic system for the private agents. Thus, perceptions on *de facto* domination would entail people's understanding of the state's capacity to enforce laws regardless of their content, while perceptions of *de jure* domination is related to people's perceptions on how far the laws and regulations are unfair and limiting to agents' freedom and autonomy. This implies that the negative sign of the two factors means that everyday resistance increases as a reaction to weaker *de facto* dominance represented by lower state capacity, but stronger *de jure* dominance represented in unfair laws and cumbersome regulations. Hence, the first aspect of dominance explains the structural component of everyday resistance, while the second one highlights the

agency component of everyday resistance. In other words, agents resist the unfair institutions by seizing the opportunities provided by their low capacities.[13]

The last institutional aspect is the level of interpersonal trust which is negatively significant. This result negates our reasoning in hypothesis (H2b) that horizontal trust is needed to sustain everyday resistance.[14] The possible explanations of this observed result were offered earlier in our discussion. Putting the findings on the institutional factors together, one can trace the institutional triggers of everyday resistance. Similar to other forms of public resistance and social movements, everyday resistance is dependent on a certain institutional opportunity structure that is composed of loose executive institutions, supportive legal institutions, and fragmented horizontal social structure. This resistance tends to be more motivated by the *de jure*, rather than the *de facto*, material dominance by the state. Accordingly, hypothesis (H2b) is disconfirmed by this analysis, while hypothesis (H2a) is partially true and could be enhanced by asserting the requirement of perceiving the institutional malfunctioning by actors.

Finally, the results for the impact of latent anti-authority attitudes and levels of public contention on the extent of everyday resistance partially conform to our hypotheses, but they are sensitive to the employed measurements. Although both the attitudes against submitting to authority through justifying claiming undeserved social benefits and avoiding fares of public transportation have significant effect on the extent of everyday resistance, their impacts go in opposite directions. While the first measure has a negative influence, the latter has a positive one.

[13] The agency aspect is more fundamental to the analysis of the institutions as the existence of "fair" institutions would render resistance pointless. Accordingly, one could observe state with higher institutional efficiency and so *de facto* material dominance, but with very low levels of everyday resistance. This could be due to the lack of the opportunity structure for everyday resistance to grow, but more importantly that there is no strong motive for the agents to resist as institutions are perceived to be relatively fair.

[14] D'Hernoncourt and Meon (2008) also find a negative relationship between general trust and size of the shadow economy, but they do not provide sufficient explanation for their finding.

This discrepancy might be driven by the nature of the questions and the perceptions they generate for the respondents. For example, claiming undeserved social benefits might be perceived as stealing from the more deserving poor, while avoiding the bus fare directly affects the revenues of the authorities. Thus, the latter could be a better measure for latent anti-authority attitudes which suggests that everyday resistance to material domination has its roots in latent anti-authority attitudes. A similar empirical riddle is evident in the contradictory results of the effects of levels of public contention on everyday resistance. While contention through petitions has a negative impact on everyday resistance, boycotts have an opposite effect. To understand this divergence, one needs to elaborate on the nature of both forms of displaying contention. On one hand, petitions come with accepting a certain form of authority which is approached to voice a certain demand for change. On the other hand, boycotts aims at obliging, more than asking, an authority for a change and so it is more confrontational and contentious. Accordingly, the findings can be reconciled to argue that societies that are more likely to engage in authority-accepting public forms of contention are less likely to engage in everyday resistance, while those with more confrontational acts of public contention are more likely to engage in everyday resistance. This suggests that the relationship between everyday resistance and public contention is complementary in contexts where authority is unaccepted as a destination for voiced demands and substitutive where authority is accepted. Another relevant explanation of this paradox could be that boycotts are more relevant to economic issues, while petitions have stronger political nature. Thus, boycotts could be more relevant to understand the relationship between public contention and everyday resistance to material dominance which then would be complementary. Accordingly, one can claim that there is some evidence to support both hypotheses (H3a) and (H3b), however, it is largely dependent on the employed measure.

The more concise model obtained from the forward-selection procedure provides us with a slightly different picture. It suggests that structural factors are not significant determinants of everyday resistance. In addition to that, public forms of contention and everyday resistance are independent from each other. Hence, everyday resistance is a product of institutional factors and latent anti-authority attitudes. It still suggests almost the same combination between weak rule of law and strong protection of property rights as a fuel for everyday resistance. For the latent anti-authority attitudes, it proposes that tax morale, instead of avoiding bus fare, is a better predictor of everyday resistance. Although the measurement of anti-authority attitudes through government benefits shows significant negative correlation with everyday resistance, the reasoning for the sign of the relationship is similar to that for the claiming of social benefits. Therefore, despite that this model presents a more simplified version of the story, the underlying factors do not contradict our previous findings. [15]

Building on these findings, one can highlight some of the underlying causal factors shaping the extent of everyday resistance. The results offer enough evidence to support hypotheses (H1b) and (H2a), partial evidence for hypotheses (H3a) and (H3b), and fail to back up hypotheses (H1a), (H1c), (H1d), and (H2b). Hence, everyday resistance is more likely to be practiced out of a need to voice certain latent anti-authority attitudes in a politically repressive environment. It comes to object to *de jure*, rather than *de facto*, material dominance. Similar to other forms of public contention and acts of resistance, everyday resistance takes place under certain opportunity structure that is shaped by perceived weak executive institutions along with supportive legal institutions. Thus, everyday resistance will represent an alternative channel for

[15] One of the challenging observations is regarding the changing the signs of some variables when we control for other in the regression analysis, like property rights, literacy rate, claiming government benefit, and public contention through boycotts. As a response, it is a better practice to agree with the results from the regression as correlations might be driven by omitted variable bias which causes this sign-shift.

change that could complement or substitute other forms of public contention depending on their attitudes towards authority, reforming or demolishing.[16]

Finally, it is important to point out that these findings have to be approached with great caution. Although we claim that our measures for everyday resistance, latent anti-authority attitudes, and levels of public contention might be the best available ones for large-N cross-country analysis, they have their own drawbacks. While the first might overestimate the extent of everyday resistance, the latter two measures are sensitive to their operationalization. However, as argued previously, this overestimation of the dependent variables is less likely to bias our results, while the measurement-sensitivity problem is tackled by incorporating different operationalizations of the concepts. In addition to that, the OLS regression analysis is likely to be subject to the problem of multicollinearity as some of independent variables are correlated. However, this has no effect on biasing the results obtained from the OLS regression and it comes in accordance with the practice in the literature. Moreover, our findings are sensitive to the model-specification method and the incorporated set of independent variables. Yet, there is a large overlap between the findings with no major contradictions between different specifications. Also, the models have high explanatory power, and so they provide a rich picture of the phenomenon.

[16] This analysis is largely based on the more inclusive specification as it has high explanatory power and provides a better picture of the relevant factors.

Table (2): OLS Regression Analysis Results

Dep. Variable: Size of the Shadow Economy	(1) Forward Selection	(2) Backward Selection
Rule of Law	-11.90***	-11.53**
	(0.000)	(0.006)
General Interpersonal Trust	-0.257**	-0.288**
	(0.003)	(0.001)
Property Rights	0.241*	0.273*
	(0.035)	(0.014)
Tax Morale	6.330**	
	(0.002)	
Latent Anti-Auth. Attitudes (Government Benefits)	-4.305*	-4.434**
	(0.011)	(0.008)
Actual/Potential Petitioning	-0.108	-0.344***
	(0.069)	(0.001)
Actual/Potential Boycotting		0.268*
		(0.031)
Latent Anti-Auth. Attitudes (Bus Fare)		4.706**
		(0.009)
Regulatory Quality		-9.612*
		(0.025)
Business Freedom		0.200
		(0.052)
Literacy Rate		0.300**
		(0.004)
Voice and Accountability (Political Equality)		6.574*
		(0.026)
Agricultural Economy Contribution		0.295
		(0.080)
_cons	30.07***	-6.472
	(0.000)	(0.619)
N	67	67
R^2	0.663	0.757
adj. R^2	0.630	0.703
F	19.70	14.02

p-values in parentheses
* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Conclusion

For the last three decades, the literature on the theory of everyday resistance has grown to unravel many of the everyday practices that citizens undertake to overcome the dominant authorities. Despite that, the study of everyday resistance remained largely confined to specific cases and practices in the agrarian societies in developing countries. Thus, this paper attempted to contribute to the existing literature by providing the first cross-national analysis of everyday resistance to material dominance in the economic sphere. The departure from focusing on case-studies to large-N analysis allows for the identification of the general factors determining the extent of everyday resistance and so adds another dimension to the dominant approach in the literature. To achieve that goal, the paper built on the existing literature to provide a more general theoretical conceptualization of everyday resistance that allows for a cross-nationally applicable operationalization of the phenomenon before analyzing it empirically.

Theoretically, the theory of everyday resistance identifies a set of everyday practices employed by the weak to oppose their material domination by the more powerful factions of society. These actions are anonymous, individual, unorganized, unsystematic, surreptitious, and habitual (Scott, 1989). Since this conceptualization of everyday resistance was criticized mainly for its stretchiness, we tried to improve on this conceptualization of everyday resistance, in general, and resistance to material domination, in particular, for empirical purposes. Thus, we emphasized that an everyday act could be considered as an everyday form of resistance if it was performed by those at the receiving end of the influence to potentially undermine the influence of the dominant, or the rule-makers, on their lives by engaging in disguised, individual, and largely unorganized regular practices. For our analysis, the influence of the dominant is

represented by material domination which we defined as the control of the powerful social groups or institutions over economic resources; nature, capital, and labor, that limits the rights of the weak to equally access and use these resources. This dominance is crystallized in the laws and regulations that are perceived to be unfair, unjust, or inefficient by those at the receiving end. Combined, these two concepts clarify the meaning of everyday resistance in the economic sphere as the disguised acts performed by rule-receivers to resist the control of the rule-makers over economic resources. Based on this formulation, we argued that informal economy is a good proxy of everyday resistance to material dominance. Besides that neoliberal and post-structural scholars of informal economy argued for its resistance motivations, its particular analytical merit to studying everyday resistance lies in its compilation of a set of disguised, unorganized, and regular acts that have the potential to undermine power while perceived as legitimate at the grassroots level. Since informal economy is present in all countries, it offers a cross-nationally relevant operationalization of everyday resistance to material domination.

Building on these theoretical foundations, the cross-national analysis of everyday resistance allows us to draw a general picture of the societies where everyday resistance is more likely to take place. Our findings suggest that everyday resistance is more likely to exist in countries at earlier stages of economic development which are dependent on agricultural rather than service economies. They suffer from different aspects of institutional malfunctioning and low levels of social trust. This is paralleled with latent anti-authority attitudes and limited public display of contention. However, when one looks at the underlying causes of everyday resistance, the picture becomes more reduced. The regression analysis shows that institutional factors and latent anti-authority attitudes are the two main determinants of the extent of everyday resistance. This coincides with our portrayal of everyday resistance as a combination between exit and voice

strategies of resistance. Interestingly, everyday resistance to material domination through informal economy is dependent on a certain institutional opportunity structure that is characterized by loose executive institutions, supportive legal institutions, and fragmented horizontal social structure. With this institutional set-up, the extent of everyday resistance is fueled by the latent anti-authority attitudes, especially in politically repressive and unequal structural contexts. This resistance is directed towards *de jure* rather than *de facto* material dominance. In addition to that, everyday resistance is not to be viewed independently from acts of public contention which affect the scope of everyday resistance based on its employed technique, petitions or boycotts.

With these findings, this paper aimed at presenting everyday resistance as a global phenomenon entrenched in deep causes, while recognizing the difficulties associated with the cross-national empirical study of everyday resistance. The fundamental conclusion of this story is that people who are at the receiving end of power resist when they need to, regardless of their ability. Repression or failure to collectively organize contention does not eliminate resistance. Actors at the grassroots level adapt to the existing system of power to maintain their own influence on the rules of the game either publicly or secretly. It is through governmental efficiency rather than repression that governments can eliminate the roots of latent opposition. This efficiency require reforming the rules themselves to be fairer and their implementation to be more convenient. Methodologically, this paper points out that cross-national surveys represent a useful tool to understand many of attitudinal roots of resistance.

Bibliography

Adnan, S 2007. 'Departures from everyday resistance and flexible strategies of domination: The making and unmaking of a poor peasant mobilization in Bangladesh', *Journal of Agrarian Change*, vol. 7, no. 2, pp. 183-224.

Adom, K & Williams CC 2014, 'Evaluating the explanations for the informal economy in third world cities: Some evidence from Koforidua in the eastern region of Ghana', *International Entrepreneurship and Management Journal,* vol. 10, no. 2, pp. 427-445.

Antonopoulos, GA and Mitra J 2009. 'The hidden enterprise of bootlegging cigarettes out of Greece: Two schemes of illegal entrepreneurship', *Journal of Small Business and Entrepreneurship*, vol. 22, no.1, pp. 1-8.

Becker, KF 2004, *The informal economy*. Swedish International Development Agency, Stockholm.

Beugelsdijk S , De Groot HLF, & Van Schaik ABTM 2004, 'Trust and economic growth: A robustness analysis', *Oxford Economic Papers,* vol.56, pp.118-134.

Biles, JJ 2009. 'Informal work in Latin America: Competing perspectives and recent debates', *Geography Campus*, vol.3, no.1, pp. 214-236.

Bjørnskov, C 2006, 'Determinants of generalized trust: A cross-country comparison', *Public Choice*, vol.130, pp.1-21.

Bureau, S & Fendt J 2011, 'Entrepreneurship in the informal economy: Why it matters?', *International Journal of Entrepreneurship and Innovation*, vol.12, no.2, pp.85–94.

Busse, S 2001, 'Strategies of daily life: Social capital and the informal economy in Russia.' *Sociological Information*, vol.38, no. 2-3, pp. 166-88.

Camp, SMH 2004, *Closer to freedom: Enslaved women & everyday resistance in the plantation south*, The University of North Carolina Press, Chapel Hill.

Campbell, JE 2004, *Getting it on online: Cyberspace, gay male sexuality and embodied identity*. Harrington Park Press, New York.

Caouette, D & Turner S, 2009. *Agrarian angst and rural resistance in contemporary Southeast Asia*, Routledge, London and New York.

Castells, M & Portes, A 1989, 'World underneath: The origins, dynamics and effects of the informal economy', in A Portes, M Castells and LA Benton (eds): *The informal economy: Studies in advanced and less developed countries*, John Hopkins University Press, Baltimore, PA pp. 11–39.

Chen, MA 2006, 'Rethinking the informal economy: Linkages with the formal economy and the formal regulatory environment', in B Guha-Khasnobis, R Kanbur and E Ostrom (eds): *Linking the formal and informal economy: Concepts and policies*, Oxford University Press, Oxford, pp. 75–92.

Chin, CBN & Mittelman JH 1997, 'Conceptualising resistance to globalisation', *New Political Economy*, vol. 2, no. 1, pp. 25-37.

Chakrabarty, D 2000. *Provincialising Europe: postcolonial thought and historical difference*, Princeton University Press, Princeton.

Chavdarova, T 2002. 'The informal economy in Bulgaria: Historical background and present Situation', in R Neef and M St. nculescu (eds): *The social impact of informal economies in eastern Europe*, Ashgate, Aldershot.

Colburn, FD 1986, 'Footdragging and other peasant responses to the Nicaraguan revolution', *The Journal of Peasant Studies*, vol.13, no.22, pp.77-96.

Cross, JC 2000. 'Street vendors, modernity and postmodernity: conflict and compromise in the global economy', *International Journal of Sociology and Social policy*, vol.20, no.1, pp.29–51.

Cross, J. & Morales A 2007, 'Introduction: Locating street markets in the modern/postmodern world", in J Cross and Alfonso Morales (eds): *Street entrepreneurs: People, place and politics in local and global perspective*. Routledge, London, pp. 1–14.

D'Hernoncourt, J & Méon PG 2012. 'The not so dark side of trust: Does trust increase the size of the shadow economy?', *Journal of economic behavior & organization*, vol. 81, no. 1, pp.97-121.

Dancy, CP & Reidy J 2004, 'Statistics without maths for psychology', *IEEE Statistics without Maths for Psychology*.

Davis, M 2006. *Planet of slums*. Verso, London.

De Certeau, M 1984, *The Practice of everyday life*, University of California Press, Berkeley.

De Soto, H 1989. *The other path*, Basic Books, New York.

De Soto, H 2001. *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. Black Swan, London.

Dibben, P and Williams CC 2012. 'Varieties of capitalism and employment relations: Informally dominated market economies', *Industrial Relations: A Review of Economy and Society*, vol. 51, pp. 563–82.

Escobar, A 1995. *Encountering development: the making and unmaking of the third world*, Priceton University Press, Princeton.

Estrin, S, Korosteleva, J, & Mickiewicz, T 2012. 'Which institutions encourage entrepreneurial growth aspirations?', *Journal of Business Venturing*, vol. 28, no.4, pp.564–580.

Evans, M, Syrett, S & Williams, CC 2006. *Informal economic activities and deprived neighbourhoods*, Department for Communities and Local Government, London.

Feige, EI 1990. 'Defining and estimating underground and informal economies: The new institutional economics approach', *World development*, vol. 18, no. 7, pp. 989-1002.

Foucault, M 1978. *The History of sexuality. Vol. 1: An introduction*. Random House, New York.

French, J, Jr, & Raven, B 1959. *The bases of social power. In D. Cartwright (Ed.), Studies in social power*, Institute for Social Research, Ann Arbor.

Fukuyama, F 1995. *Trust: The social virtues and the creation of prosperity*, Free press, New York.

Gallin, D 2001. 'Propositions on trade unions and informal employment in times of globalization', in *Antipode*, vol. 33, no. 3, pp. 531–549.

Geertz, C 1979. 'Suq: The Bazaar Economy in Sefrou.' in Geertz and Rosen (eds.): *Meaning and moral order in Moroccan society: Three essays in cultural analysis*,pp. 123-263.

Gibson-Graham, JK 1996. *The end of capitalism as we knew it?: a feminist critique of political economy*. Blackwell, Oxford.

Gilbert, A 1998. *The Latin American city*, Latin American Bureau, London.

Gray, O 2003. Baddness-honour. In: Harriott A (ed): *Understanding crime in Jamaica: new challenges for public policy*. UWI, Kingston

Gray O. 2004. *Demeaned but empowered: the social power of the urban poor in Jamaica*. UWI, Kingston.

Gupta D 2010. 'Everyday resistance or routine repression? Exaggeration as a statagem in agrarian conflict, *The Journal of Peasant Studies*, vol.29, no.1, pp.89-108

Gurtoo, A & Williams CC 2009. 'Entrepreneurship and the informal sector: Some lessons from India', *International Journal of Entrepreneurship and Innovation*, vol.10, no.1, pp.55–62.

Gutmann, MC 1993. 'Rituals of resistance: A critique of the theory of everyday forms of resistance', *Latin American Perspectives*, vol. 20, no. 2, pp. 74-92.

Haigner, S, Jenewein, S, Schneider, F, & Wakolbinger, F 2013. 'Driving forces of informal labor supply and demand in Germany', *International Labor Review*, vol. *152*, pp.507–524.

Heritage Foundation. 2015. "Index of Economic Freedom", < http://www.heritage.org/index/>.

Hirschman, AO 1970. *Exit, voice, and loyalty: Responses to decline in firms, organizations, and states*. Harvard University Press, Cambridge, MA.

Hollander, JA. & Einwohner RL 2004. 'Conceptualizing resistance', *Sociological Forum*, vol. 19, no. 4, pp. 533-554.

Holmberg, C & Enander, V 2004. *Varför går hon?: om misshandlade kvinnors uppbrottsprocesser*. Kabusa böcker ,Ystad.

Hossein, CS 2014. 'The politics of resistance: Informal banks in the Caribbean', *The Review of Black Political Economy,* vol. 41, no. 1, pp.85-100.

Hudson, J, Williams CC, Orviska M & Nadin S 2012. 'Evaluating the impact of the informal economy on businesses in South East Europe: Some lessons from the 2009 World Bank Enterprise Survey', *The South-East European Journal of Economics and Business*, vol. 7, no.1, 99–110.

Hudson, R 2005. *Economic geographies: Circuits, flows and spaces*. Sage, London.

Hussmanns, R 2005. 'Measuring the informal economy: From employment in the informal sector to informal employment', *ILO Policy Integration Department/Bureau of Statistics Working Paper,* no. 53.

Huzell, H 2005. *Management och motstånd. Offentlig sektor i omvandling. En fallstudie*. Diss. Karlstad University Studies.

Jefferess, D 2008. *Postcolonial Resistance: Culture, Liberation and Transformation*, University of Toronto Press, Toronto.

Joseph, GM, 1990. 'On the trail of Latin American bandits: A reexamination of peasant resistance', *Latin American Research Review*, vol.25, no.3, pp.7-53.

Judd, CM, McClelland GH, & Ryan CS, 2011. *Data analysis: A model comparison approach*. Routledge.

Kelly, RDG 1992. 'An archaeology of resistance', *American Quarterly*, vol. 44, no. 2, pp. 292-298.

Kerkvliet, BJT 1990. *Everyday politics in the Philippines: Class and status relations in a Central Luzon village*. University of California Press, Berkeley, CA.

Kerkvliet, BJT, 1993, 'Claiming the Land: Everyday Politics in the Philippines with Comparisons to Indonesia, Peru, Portugal, and Russia', *The Journal of Peasant Studies,* vol.20, no.3, pp.459-91.

Kerkvliet, BJT 2005. *The power of everyday politics: How Vietnamese peasants transformed national policy*. Cornell University Press, Ithaca, NY.

Kerkvliet, BJT 2009. 'Everyday politics in peasant society (and ours)', *Journal of Peasant Studies*, vol. 36, no.1, pp.227-243.

Klein, E, & Tokman, V 2000. 'Social stratification under tension in a globalized era', *CEPAL Review*, vol.72, pp. 7–29.

Knack, S, & Keefer P, 1997.'Does social capital have an economic pay-off? A cross-country Investigation', *Quarterly Journal of Economics*, vol.112, pp.1251-1288.

Korovkin, T, 1990.*The politics of agricultural co-operativism: Peru, 1969-1983*, University of British Columbia Press, Vancouver.

Korovkin, T 2008. 'Weak weapons, strong weapons? Hidden resistance and political protest in rural Ecuador', *The Journal of Peasant Studies*, vol.27, no.3, pp.1-29

Krishna, A 2002. *Active social capital. Tracing the roots of development and democracy*. Columbia UP, New York.

Kudva, N 2009. 'The everyday and the episodic: The spatial and political impacts of urban informality', *Environment and Planning*, vol.41, pp.1614–1628.

Kuehn, Z 2014. 'Tax Rates, Governance, and the Informal Economy in High-Income Countries', *Economic Inquiry*, vol. 52, no. 1, pp. 405-430.

Lee, D 2013. 'How Does Social Capital Reduce the Size of the Shadow Economy?', *Global Economic Review* , vol.42, no. 3, pp.251-268.

Lewis, A 1959. *The Theory of Economic Growth*. Allen and Unwin , London.

Leyshon, A, & Lee, R 2003. 'Introduction: Alternative economic geographies'. In A. Leyshon, R. Lee, & C. C. Williams (Eds.), *Alternative economic space*, Sage, London.

Lilja, M & Vinthagen S 2009. *Motstånd*, Liber: Malmö.

Loayza, N 1997. 'The economics of the informal sector: A simple model and some empirical evidence from Latin America', *World Bank Policy Research Working Paper*, no.1727.

London, T, & Hart SL 2004. 'Reinventing strategies for emerging markets: Beyond the transnational model', *Journal of International Business Studies*, vol.35, no.5, pp.350–70.

Ludden, D (ed.) 2002. *Reading subaltern studies*, Permanent Black, Delhi.

Maloney, WF 1999. 'Does informality imply segmentation in urban labor markets? Evidence from sectoral transitions in Mexico', *World Bank Economic Review*, vol.13, no.2, pp. 275–302.

Maloney, WF 2004. 'Informality revisited', *World Development, vol.*32, no.7, pp. 1159–1178.

Martinez-Alier, J, 1977, 'Relations of production in Andean haciendas: Peru', in K Duncan and I Rutledge (eds.): *Land and Labour in Latin America*, Cambridge University Press, Cambridge.

Masr Al-Arabiya 2014. *Al-Ba'a El Gaelien (Street Vendors), in Arabic*, online video, viewed 15th May, 2015, https://www.youtube.com/watch?v=qh0lHtsOiM4.

Mathias, BD, Lux S, Crook TR, Autry C, & Zaretzki R (2014), 'Competing against the unknown: The impact of enabling and constraining institutions on the informal economy', *Journal of Business Ethics*, pp. 1-14.

Minniti, M 2008. 'The role of government policy on entrepreneurial activity: productive, unproductive, or destructive?', *Entrepreneurship Theory and Practice*, vol.32, no.5, pp.779–790.

Montoya, R 1982, 'Class relations in the Andean countryside', *Latin American Perspectives*, vol.9, no.3, pp.62-78.

Moser, C 1978. 'Informal sector or petty commodity production: dualism or dependence in urban development?', *World Development*, vol. 6, no. 9, pp. 1041–1964.

Myslik, W 1996. 'Renegotiating social/sexual identitites of places: gay communities as safe heavens or sites of resistance', In N Duncan (ed.): *Body Space. Destabilizing Geographies of gender and sexuality.* Routledge, London.

Neuwirth, R 2011. *Stealth of Nations: The global rise of the informal economy*. Pantheon Books, New York, NY.

Nichter, S, &. Goldmark, L 2009. 'Small firm growth in developing markets', *World Development*, vol.37, no.9, pp.1453- 1464.

Nwabuzor, A 2005. 'Corruption and development: New initiatives in economic openness and strengthened rule of law', *Journal of Business Ethics*, vol.59, no.1, pp.121–38.

O'Brien, KJ, & Li L 2006. *Rightful resistance in rural China*. Cambridge University Press, Cambridge.

Ortner, S 1995. 'Resistance and the problem of ethnographic refusal', *Comparative Studies in Society and History*, vol. 37, no.1, pp.173-193.

Packard, T 2007. *Do workers in Chile choose informal employment? A dynamic analysis of sector choice*. World Bank Latin America and the Caribbean Region Social Projection Unit, Washington, DC.

Pérez Sáinz, JP 1998. 'The new faces of informality in Central America', *Journal of Latin American Studies, vol.* 30, no.1, pp. 157–179.

Perry, GE, & Maloney, WF 2007. 'Overview: Informality — exit and exclusion'. In GE Perry, WF Maloney, OS Arias, P Fajnzylber, AD Mason and J Saavedra-Chanduvi (eds.): *Informality: Exit and Exclusion*, World Bank, Washington DC, pp. 1–20.

Persson, A, & Malmer, H 2006. *Purchasing and performing undeclared work in Sweden. Part 1: Results from various studies*. Report 2006:4B.Skatteverket, Stockholm.

Pfau-Effinger, B 2009. 'Varieties of undeclared work in European societies', *British Journal of Industrial Relations*, vol.47, no.1, pp.79–99.

Portes, A 1994. 'The informal economy and its paradoxes'. In NJ Smelser and R Swedberg (eds.): *The Handbook of Economic Sociology*, Princeton University Press, Princeton, pp. 142–65.

Portes, A (Ed.). 1995. *The economic sociology of immigration: essays on networks, ethnicity and entrepreneurship,* Russell Sage, New York City, NY.

Portes, A, & Schauffler, R 1993. 'Competing perspectives on the Latin American informal sector', *Population and Development Review,* vol. 19, no. 1, pp. 33–60.

Round, J, Williams, CC; Rodgers, P. 2008. 'Corruption in the post-Soviet workplace: The experiences of recent graduates in contemporary Ukraine', *Work, Employment and Society,* vol. 22, no.1, pp. 149–166.

Sassen, S 1996. 'Service employment regimes and the new inequality'. In E Mingione (ed.): *Urban Poverty and the Underclass*, Basil Blackwell, Oxford , pp.142–59.

Sauvy, A 1984. *Le Travail Noir et l'Economie de Demain*, Calmann-Levy, Paris.

Schneider, F 2012. *The Shadow Economy and Work in the Shadow: What Do We (Not) Know?*. No. 6423. Institute for the Study of Labor (IZA).

Scott, JC 1976. *The moral economy of the peasant: Rebellion and subsistence in Southeast Asia,* Yale University Press, New Haven, CT.

Scott, JC 1985. *Weapons of the Weak.* Yale University Press.

Scott, JC 1986. 'Everyday forms of peasant resistance', *Journal of Peasant Studies*, vol. 13, no.2, pp. 5–35.

Scott, JC 1987, 'Resistance without protest and without organisation: Peasant opposition to the Islamic *Zacat* and Christian Tithe', *Comparative Studies in Society and History, v*ol.29, no.3, pp.417-452.

Scott, JC 1989. 'Everyday Forms of Resistance', *Copenhagen Papers*, no. 4, pp. 33- 62.

Scott, JC, 1989. 'Everyday Forms of Resistance', in FD Colburn (ed.): *Everyday Forms of Peasant Resistance*, M.E. Sharpe, pp. 3-33.

Scott, JC, & Kerkvliet BJT (eds.) 1986. *Everyday forms of peasant resistance in South-East Asia*. Frank Cass, London.

Sivaramakrishnan, K 2005. 'some intellectual genealogies for the concept of everyday resistance', *American Anthropologist*, vol. 107, no. 3, pp. 346-355.

Slavnic, Z 2010. 'Political economy of informalization', *European Societies*, vol.12, no.1, pp.3–23.

Small Business Council 2004. *Small business in the informal economy: Making the transition to the formal economy*, Small Business Council, London.

Snyder, KA 2004. 'Routes to the informal economy in New York's East Village: Crisis, economics and identity', *Sociological Perspectives*, vol. 47, no. 2, pp. 215–240.

StataCorp. 2011. *Stata Statistical Software: Release 12*. College Station, TX: StataCorp LP.

Suh, CS, Chang, PY, & Lim, Y 2012. 'Spill-up and spill-over of trust: An extended test of cultural and institutional theories of trust in South Korea', *Sociological Forum*, vol. 27, no. 2, pp. 504-526.

Tabellini, G 2007.'Institutions and Culture', *IGIER working paper*, no. 330.

The World Bank, 2014. "World Development Indicators", < http://data.worldbank.org/data-catalog/world-development-indicators>.

The World Bank, 2014. "World Wide Governance Indicators", <www.govindicators.org>.

Thomas, JJ 1992. *Informal Economic Activity*. University of Michigan Press, Ann Arbor, MI.

Timur, K, 1991 "Now out of never: the element of surprise in the East European Revolution of 1989', *World Politics* , vol. 44, pp. 7-48.

Turton, A, 1986. 'Patrolling the middle-ground: Methodological perspectives on "everyday peasant resistance" ', *Journal of Peasant Studies*, vol.13, no.2, pp.36–48.

Valenzuela, A 2001. Day labourers as entrepreneurs. *Journal of Ethnic and Migration Studies*, Vol. 27, no.2, pp.335–352.

Vinthagen, S, & Johansson, A 2013. 'Everyday resistance: Exploration of a concept and its theories", *Resistance Studies Magazine*, no.1.

Walker, A 2009. '"Now the companies have come": Local values and contract farming in northern Thailand'. In D Caouette and S Turner (eds.): *Agrarian angst and rural resistance in contemporary Southeast Asia*, Routledge, London and New York, pp. 61–81.

Webb, JW, Tihanyi, L, Ireland, RD, & Sirmon DG 2009. 'You say illegal, I say legitimate: Entrepreneurship in the informal economy', *Academy of Management Review*, vol. 34, no.3, pp. 492–510.

Whitson, R 2007a. 'Beyond the crisis: economic globalization and informal work in urban

Argentina', *Journal of Latin American Geography*, vol. 6, no.2, pp. 121–136.

Whitson, R 2007b. 'Hidden struggles: spaces of power and resistance in informal work in urban Argentina', *Environment and Planning*, vol.39, no.12, pp. 2916–2934.

Wietz, R 2001. 'Women and their hair. Seeking power through resistance and accommodation', *Gender & Society*, vol, 15, no 5, pp. 667-686.

Williams, CC 2004. *Cash-in-hand work: the underground sector and hidden economy of favours*. Palgrave Macmillan, Basingstoke.

Williams, CC 2005. *A commodified world? Mapping the limits of capitalism*. Zed, London.

Williams, CC 2006. *The hidden enterprise culture: Entrepreneurship in the underground economy*. Edward Elgar, Cheltenham.

Williams, CC (2007). 'The nature of entrepreneurship in the informal sector: Evidence from England', *Journal of Developmental Entrepreneurship*, vol.12, no.2, pp.239–54.

Williams, CC 2010. 'The changing conceptualisation of informal work in developed economies', in E Marcelli, CC Williams and P Joassart (eds): *Informal work in developed nations*, Routledge, London, pp. 11–33.

Williams, CC, 2013. 'Beyond the formal economy: evaluating the level of employment in informal sector enterprises in global perspective', *Journal of Developmental Entrepreneurship, vol.* 18, no. 4.

Williams, CC, & Lansky MA 2013. 'Informal employment in developed and developing economies: Perspectives and policy responses', *International Labour Review*, vol. 152, no. 3-4, pp.355-380.

Williams, CC & Nadin S 2010. 'Entrepreneurship and the informal economy: An overview', *Journal of Developmental Entrepreneurship*, vol. 15, no.4, pp. 361–78.

Williams, CC & Nadin S (2013). 'Beyond the entrepreneur as a heroic figurehead of capitalism: Re-representing the lived practices of entrepreneurs', *Entrepreneurship and Regional Development*, vol.25.

Williams, CC, & Renooy, P 2013. *Tackling undeclared work in 27 European Union Member States and Norway: Approaches and measures since 2008*. Eurofound, Dublin.

Williams, CC, & Round, J 2008. 'Re-theorising the nature of informal employment: Some lessons from Ukraine', *International Sociology*, vol. 23, no. 3, pp. 367–388.

Zak, PJ and Knack S 2001. 'Trust and growth', *Economic Journal*, vol.111, p.295-321.