

This *In Brief* points to an emerging research agenda in key regional states, and the importance of further study into the economic and political values, interests and roles of the emergent middle classes in Papua New Guinea, Solomon Islands and Timor-Leste. To date, there have been few studies of the middle class in Timor-Leste and Melanesia. Pacific societies are routinely understood in terms of the contrast between (modern) urban 'elites' and the (traditional) subsistence 'grassroots' (Cox 2014) — a division derived from a pervasive regional ideology that idealises rural-based subsistence lifestyles and cannot account for rapid urbanisation, new economic aspirations or cultural change, except in moralistic or nostalgic terms (Gewertz and Errington 1999; Hau'ofa 1987). This commonplace narrative denies the impact of powerful global trends, obscures the workings of politics, and fails to capture the complex ways in which class influences economic, social and political change in the region.

Background

The international community has become increasingly interested in the emerging middle classes in developing countries. Development in East Asia has stimulated interest in how the middle classes might be harnessed and supported to catalyse economic development and political change (Easterly 2001; Kharas 2010). Middle classes are said to be economically significant: middle-class wealth drives shifts in national consumption patterns, leading to economic diversification and modernisation; and middle-class thrift results in increased national savings, providing capital for growth-enhancing investment (Kharas 2010). Middle-class aspirations are thought to nurture entrepreneurialism and innovation, with political values that may support democratisation and public accountability. Middle-class values and norms are said to underpin social cohesion and national unity in developing countries and thus provide an important stabilising context in emergent postcolonial states.

However, the political consequences of an emergent middle class may be more ambiguous and even anti-democratic. Middle-class dependency on state-based employment (salaried employment or state contracts) can undermine commitments to democracy and civic activism. Similarly, the role of the middle classes in democratic consolidation can be seen variously as a precondition of transitions to democracy or as supporters of stable social order amenable to authoritarian rule where economic interests are protected (Jones 1998).

Political Settlements, Elite Bargains and the Middle Classes

Understanding the distinctive nature of the middle class in particular contexts is crucial. Papua New Guinea, Solomon Islands and Timor-Leste are characterised by small and dispersed populations, building urbanisation processes, limited levels of industrialisation, enclaves of development based on extractive industries, and continued heavy reliance on subsistence horticulture. At the same time, these societies are experiencing broader economic and social transformations that may be underpinning the emergence of new middle classes. These include the growth of diasporic communities (from low bases in Papua New Guinea and Solomon Islands) in Australia and New Zealand and economic integration into metropolitan economies including through regional labour markets. Resource-based growth in Papua New Guinea and Timor-Leste has allowed the emergence of middle-class interests, both in direct employment and in the provision of auxiliary services. The political ecology of highly aid-dependent states such as Solomon Islands also supports the emergence of an 'intermediary class' functional to and dependent upon the aid economy (Cox 2009; Khan 2010). The distinctive social and political histories of each of the countries are instrumental to understanding how middle classes develop particular orientations to the state, or regional markets.

Recent studies of developmental leadership and elite theory point to the influence of political

settlements or 'elite bargains' on institutional formation, in ways which may be inclusive and growth enhancing, or exclusive and predatory (Acemoglu and Robinson 2012; Khan 2010; Craig and Porter 2013). These studies have tended to overlook the role of the middle class as agents within broader networks of elite actors. Dressel and Dinnen (2014) note that little research has been undertaken to differentiate between types of emerging elites, and how their distinct interests influence political and developmental outcomes. Moreover, assumptions about elites and their contribution to development extrapolated from the recent experiences of North and South Asia are not readily applicable to Melanesia and Timor-Leste, where 'economic elites are not only few in number, but also subject to high rates of turnover' (Dressel and Dinnen 2014, 4). As they note, the '... focus on elites needs to recognise that very different country contexts require a very different understanding of what an elite is'. Further research in specific country contexts is required to deepen our understanding of potentially politically influential elite cohorts in regional nations.

Conclusion

The middle classes are potentially significant agents in the formation, maintenance and renegotiation of political settlements in Timor-Leste and the independent Melanesian states. Nonetheless, there is relatively little research about their composition, economic interests, developmental and political values or their relationships with other important political and commercial actors. New data on these critical actors in political, social, and economic development will inform more effective regional development and security assistance agendas and contribute directly to improved aid effectiveness, particularly in relation to aid investments aimed at nurturing 'developmental leadership' and supporting the emergence of positive constituents for development change.

Notes on Authors

Julien Barbara is Convenor of the Centre for Democratic Institutions and a research fellow with SSGM. John Cox

is a Research Fellow at SSGM. Michael Leach is an Associate Professor in Politics and Public Policy and Chair of the Department of Education and Social Sciences at Swinburne University of Technology.

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E ssgm.admin@anu.edu.au @anussgm
ips.cap.anu.edu.au/ssgm

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