Labor mobility is now a fact of life. Migrant managers soon may become as common as migrant workers as business globalizes and local loyalties decline.2

Rosenberth Kanther’s comment seems obvious enough at first; with the increased use of migrant labour there will be a greater need for migrant managers. But important changes are confronting the management of worker migration, making the ‘reality of international labor a mixed and complex one.’3 This complexity is very evident in the Arab Middle East where – contrary to Cohen’s and Van Lient’s notion that international labour migration began to slow down in the 1970s4 – labour movements to the Gulf States moved against global patterns. The Kingdom became the largest regional importer of foreign labour after high oil revenues allowed it to accelerate development at a rate that could not be sustained by its indigenous workforce.5

As a consequence, labour importation changed the Arabs’ political economy and its social hierarchies and redefined the nature of the region’s strategic position. Economic liquidity in non-oil-rich countries became reliant on participation in the oil states’ reinvestment of petrodollars, in hopes having been pegged on rentier-by-proxy labour export agendas.6 Saudi Arabia and Jordan, for example, simultaneously initiated strategic migration plans, one country needing manpower, the other in desperate need of remittance income.7 This chapter will discuss the dilemmas faced on the Saudi side of this planning equation.
The Saudi Arabian experience in planning for modernisation is unique in many ways, particularly in the speed with which economic development has taken place. Following the oil embargo in 1973 the Kingdom's ability to finance industrial development increased exponentially. The ability to accelerate capital construction brought with it mixed blessings and problems. Massive construction orders caused unprecedented levels of economic growth, but labour shortages developed in every sector and the presence of increasing numbers of foreign labour exerted inflationary pressure throughout the Kingdom's socio-economic structure. Housing prices soared, food imports quadrupled, social service costs rose dramatically and local utilities failed in the face of faster than expected urbanisation.

Even today the dilemma is twofold. First, the Kingdom's population, approximately 12 million Saudi citizens spread across 700,000 square miles of land, is not large enough to support its manufacturing and service sectors. The citizenry is inordinately young, 50 per cent being below the age of 15 and 70 per cent under the age of 25. Only 6 per cent of Saudi women work in the formal sectors of the economy, and when Saudi women do work it is usually in family-related services. Saudi men tend to benefit from the government's lucrative pension programmes and retire earlier than most. Saudi workers also tend to avoid employment in manual labour.

This is not an unusual situation in the region. The percentage of people of working age (15–64) in most Arab countries is significantly lower than in developed countries. While the percentage of working-age people in industrial economies averages around 67 per cent, the average is 55 per cent in Arab countries. This is in part due to the extraordinarily high birth rates in the region, twice those in Europe.

The other side to Saudi's manpower shortage problem is rooted in sectoral employment preferences. The historical over-supply of employment opportunities for indigenous workers in the Gulf region has allowed people to indulge in their aversion to labour-intensive employment, which is reinforced by the stigmas attached to vocational training programmes. This has caused significant shifts in the labour market structure in the oil-rich states. There is an increasing concentration of the labour force in