

Inventing a working class in Saudi Arabia

By Alexander Kronemer

Riyadh, the capital of modern Saudi Arabia, was a sparsely populated, mud-brick fortress in 1902 when King Abdul Aziz, the founder of Saudi Arabia, and a small band of supporters scaled over its walls on a palm trunk ladder and captured it. Though this daring attack by the 20-year old Abdul Aziz marked a dynastic shift for the region, Riyadh and the country around it remained virtually unchanged for several decades.

Then oil was discovered. Spurred by the growing petroleum industry, Riyadh developed in less than 50 years from a village of 3 dusty square miles into an urban center of about 600 square miles with a modern skyline at its center and a population of over 2 million. In all of Saudi Arabia, where less than 80 miles of paved roads had existed, over 80,000 miles were built. Where once there were almost no medical or educational facilities, nearly 4,000 hospitals, health centers, and dispensaries, hundreds of schools, and several universities were created. The government laid railroad tracks and telecommunication lines and built the largest national airline in the Middle East. The thatched roof houses that once were common were replaced by apartment buildings and multilevel concrete homes. Present-day Saudi Arabia bears almost no resemblance to what it was even a decade ago, so rapid has been its ascent from one of the world's most underdeveloped regions to one of the most modernized.

If the government's labor policies succeed, the same may be said 10 years from now about the Saudi work force.

Following up on the development of the country's infrastructure, the Kingdom is currently trying to build a Saudi Arabian working class, which is as absent from the region as paved roads and modern airports once were. To accomplish this the government races against time and, in a sense, space, in as much as Saudi Arabia's vast desert has nurtured a culture with a strong distaste for the kinds of work found in most manufacturing and office-support jobs.

The buzz word of this process is "Saudiazation." It means replacing the Kingdom's roughly 9 million foreign workers with as many qualified Saudis as possible. Currently, 9 out of every 10 private sector jobs in Saudi Arabia are filled by foreigners, which is to say that though the country's phenomenal physical development was paid for with Saudi money, it occurred largely without Saudi labor. Foreign workers do everything from managing large companies, staffing hospitals with doctors and nurses, and providing every kind of professional service, to laboring in the oil fields, cooking in restaurants, changing hotel beds, and sweeping the country's immaculate streets.

There was little need for a Saudi working class throughout most of the 1970s and 1980s. High oil prices gave the government adequate funds to pay the considerable foreign labor pool that was constructing the country, while simultaneously employing most Saudis in sheltered government jobs; it was nation building without getting the citizens' fingernails dirty. The salaries of government jobs were not always high, but government subsidies for housing, health care, and education gave most citizens a comfortable middle-class lifestyle. At the peak of the oil boom in 1981, per capita income was \$21,000.

But now, after a decade of low oil prices, per capita income has plummeted to \$6,700, and the government has been forced to curtail many subsidies. More importantly, it cannot guarantee a government job for every Saudi

who wants one. In fact, given the Kingdom's explosive population growth, the only guarantee is that it will not. Almost 60 percent of Saudis are younger than 18. Only a thriving private sector will be able to absorb the legions of Saudi jobseekers who will be entering the labor market in the next two decades. In this light, the importance of Saudiazation is clear: it is one of the only ways the Kingdom can avert a dangerous unemployment crisis.

Royal Decree already legislates a planned phaseout of some of the foreign work force. But the real challenge lies in changing the work ethic of Saudi Arabia so that the replacement Saudi workers are as productive as the foreigners who leave. Saudi workers are generally viewed, even by many Saudi employers, as both less productive and more expensive than the workers from Asia and some of the poorer Arab countries who make up much of the current expatriate labor force.

Given this, Saudi Arabia has signed a number of contracts with U.S. companies to provide vocational training. The aim is to invent a working class by teaching the technical skills and work ethic necessary to be competitive in the global economy. Some of the biggest problems in work ethic revolve around absenteeism, lateness for work, and work effort.

Part of the reason for these problems goes back to the period of high oil revenues, during which the country could afford to subsidize its citizen workers. But the origin of some of these attitudes is traceable to social patterns that were formed over millennia of desert life.

In a country in which less than 1 percent of the land is arable, most of the population was historically involved in a nomadic lifestyle. Some Saudis followed the scant rain patterns of the region with the herds of goats and sheep that were their means of survival. Others owned camels and were involved in trade, or ruled areas of the desert where they could seize parts of any caravan or

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herd that passed through as payment for traveling over the land.

Out of this harrowing but unencumbered lifestyle, the traditional virtues of the desert developed: The importance of interpersonal relationships, the idea of approximate rather than precise time, and the aversion to any behavior that might seem menial or servile. It has made for a population that is not naturally suited to the routines of a 40-hour-per-week job, or to many occupations that require working with one's hands or performing service or support duties. Particularly regarding absenteeism and tardiness, these desert values make it difficult for an individual to accept the control of a clock over the daily rhythms of one's personal life.

The real challenge for Saudiazation is transforming these cultural attitudes into ones more compatible with the requirements of modern manufacturing and business. Some help seems to be

coming from the changing economic circumstances. The younger generation, those in their early 20's who have matured during the leaner period in government subsidies, show signs of being more serious about work. Saudi Arabia is even beginning to see a manufacturing sector take hold. At the peak of the oil boom, oil accounted for almost 80 percent of Saudi Arabia's gross domestic product, according to the Finance Ministry. Now it makes up a third of it, with the rest split between government spending and the private sector.

More importantly, some of these manufacturing firms are attracting the new Saudi worker. A few even employ a majority of Saudis, who work in every capacity from executive positions right down to secretarial, and even security guard, duties. These are signs that work values are beginning to filter into segments of the population.

What remains to be seen is whether

this invention of a Saudi Arabian working class can keep pace with the increasing need to get Saudis to accept and succeed at private sector employment. It is difficult to predict what will happen if it does not, but it certainly will present a crisis for the country.

On the other hand, success can only further elevate Saudi Arabia's status in the region and guarantee its place in the world's global economy. The recent spikes in gasoline prices are a reminder that oil revenues will not stay flat forever. Eventually, Saudi Arabia will again benefit from substantial inflows of oil money. When that happens, the country will have in place the infrastructure of a modern nation. If it also has a strong, indigenous work force, that future influx of money could well propel the country even further from its origins as an impoverished desert Kingdom to join the world's preeminent economic superpowers as an equal. □

