

## Khashoggi Dead, Saudi Arabia Faced with its Existential Question: At What Point Do Payouts Stop Working?

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As the world grapples with the grotesque [killing](#) of *Washington Post* journalist Jamal Khashoggi in the Saudi Arabian consulate in Turkey, business leaders worldwide are carefully navigating their relationships with Saudi Arabia.

While some had been [optimistic](#) that Mohammed bin Salman represented a relatively progressive face for the notoriously opaque Sunni powerhouse, what looks to be the crown prince's intimate [direction](#) of the abduction and murder of Khashoggi has roiled the diplomatic and business world.

The crisis represents the many ways that Saudi Arabia has straddled its repressive reputation with its recognition that as a rentier state, its existential justification as an absolute monarchy depends on oil money payouts to its citizens. Concerned about the [sustainability](#) of this model, bin Salman has made efforts to combat high rates of unemployment, spur creativity, and diversify Saudi Arabia's economy. The most notable and publicized of these efforts is [Saudi Vision 2030](#), which includes the Public Investment Fund—Saudi Arabia's sovereign wealth fund.

The plan involves using oil money to garner influence in a different way—through taking stakes in and buying from prominent companies around the world, often in the United States. Saudi Arabia has invested billions in American companies, including WeWork and Uber, via SoftBank, the Japanese multinational holding conglomerate. In fact, Saudi Arabia has invested \$45 billion in [SoftBank's Vision Fund](#).

One outgrowth of Saudi Vision 2030, the [Future Investment Initiative](#) is set to begin Tuesday. But featured attendees, including JPMorgan's CEO Jamie Dimon, Blackrock CEO Larry Fink, Uber CEO Dara Khosrowshahi, US Treasury Secretary Steven Mnuchin, and IMF Director Christine Lagarde, have [pulled out of the summit](#) in the wake of Khashoggi's murder and Saudi Arabia's blatantly inconsistent cover up.

But business leaders pulling out of the conference may ultimately amount to just a slap on the wrist, with the conference enough of a throwaway that publicly withdrawing is the lowest-risk way for companies to manage optics without substantively threatening business as usual. Similar to President Trump's [public lament](#) that distancing the United States from Saudi Arabia isn't worth the billions of dollars at stake, American companies have mostly avoided making more than symbolic gestures.

With so much at stake, it's hard to imagine that companies will sever ties. Nonetheless, the Kingdom must reckon with the question that defines it: at what point do payouts stop working?

