

SoftBank and Saudi Arabia, More than Just Money?

By Ernesto Rojas, J.D. Candidate 2021, October 22, 2018

SoftBank Group Corp. is a holding company that manages its group companies and [provides](#) information technology and telecommunication services as one of the world's largest public [companies](#). One of SoftBank's many goals is its Vision Fund, which seeks to raise \$100 billion in an effort to "[invest in businesses and foundational platforms](#)" that it believes will advance innovative technology. Many investors have committed to helping SoftBank reach its goal, but the most lucrative investment has come from Saudi Arabia, totaling [\\$45 billion](#). However, the recent disappearance of journalist Jamal Khashoggi, when he entered the Saudi Consulate in Istanbul earlier this month, has caused SoftBank shares to [tumble](#).

As the facts surrounding Khashoggi's disappearance and apparent death unravel, SoftBank is placed in a predicament: start-ups may not want to receive Vision Fund money, or SoftBank may lose its largest investor. Yet, it is important to note that the business world is [not concerned](#) about SoftBank; rather, these businesses' concerns are with Saudi Arabia and its possible ties to Khashoggi's disappearance and other [human rights abuses](#). These concerns have materialized as several top executives and [sponsors](#) from JPMorgan Chase, BlackRock, Mastercard, Fox Business Network, Uber, and Ford have withdrawn from attending an investment conference in Saudi Arabia.

The executives and sponsors that distanced themselves from Saudi Arabia have been labeled as "[America's New Diplomats](#)." Although President Trump stated that he would consider "[very severe](#)" measures against Saudi Arabia if it is found responsible, some have questioned his response. They note that President Trump has "not called for or appeared to support an independent [US investigation](#), or an international one under the auspices of the United Nations." Additionally, while it is possible that Secretary of State Mike Pompeo gave Saudi Arabia a stern message in private during his meeting in Riyadh this week, others question whether his optics of smiles in public were wrong.

Ultimately, we must ask whose responsibility it is to challenge possible human rights abuses; is it the business sector's, politicians', or the legal system's responsibility? While some may view business executives as the new diplomats by standing firm against Saudi Arabia, it is important to note that executives are not diplomats since they [still share substantial ties](#) with Saudi Arabia. As for politicians, if countries follow the U.S.' example of tip-toeing around Saudi Arabia's human rights abuses, will the message ever become clear? Lastly, while executives and politicians discuss what to do next, does that leave legal action off the table until they have decided what course of action to take, or is it up to individuals and groups, such as the United Nations, to act and [pressure these organizations](#)?

