

PROTECTING INNOVATION

The need to keep politics out of startup funding



ILLUSTRATION: ZARIF FAIAZ

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After the fall of the Awami League government, the entrepreneurial community in Bangladesh has been rocked by revelations that several startups were denied funding by Startup Bangladesh Limited (SBL), the government's venture capital arm. Many of these startups were apparently blacklisted for not following allegiance towards the ruling party, raising critical questions within the startup ecosystem.

In March 2020, Startup Bangladesh Limited was established with the noble goal of providing much-needed capital to early-stage ventures that might otherwise struggle to secure financing. The idea was to foster an entrepreneurial ecosystem where the most promising startups would receive the support they needed to grow. However, recent reports suggest that this ideal has not been upheld. When political factors started dictating these decisions, it undermined the very principles that should have driven our funding processes.

According to Abdullah Abyad Raied, CTO of 10 Minute School, their funding round with SBL had already been confirmed through a formal agreement. Despite this, they faced a very real threat that the funding could be withdrawn due to a social media controversy. Although the investment was ultimately reinstated, the incident highlights the fragility of government commitments when politics is involved. The fallout from this uncertainty was immediate. The company had to delay a significant capital expenditure for its new English Center branch in Mirpur and prepare for cost optimisations that included potential salary cuts.

"I believe SBL has a duty to be extremely non-

partisan when it comes to these decisions. Any questionable decision affects both the young entrepreneurs as well as the international venture capital funds looking to invest in Bangladesh," he explained.

For many young founders, who are often at the forefront of our startup scene, this political interference is particularly disheartening. These entrepreneurs are known for their drive, creativity, and willingness to challenge the status quo. They do not subscribe to the herd mentality of blind political loyalty. They are precisely the kind of people we should be encouraging and supporting, yet they are the ones most likely to be excluded from the funding process when political considerations were allowed to dominate. The imposition of political loyalty as a prerequisite for funding not only discouraged these innovators but also sent a damaging message about what is valued in our entrepreneurial landscape.

10 Minute School's experience was not an isolated incident as the founder and CEO of Shikho also raised concerns on the issue. The company was selected and finalised as per the due diligence process of SBL who were going to be co-investors alongside other international investors leading the round. This deal was only called off last minute based on 'political grounds' that were brought up by a third party. "It is disheartening to see decisions influenced by external, non-business-related factors. This not only undermines the trust startups place in these programs but also calls into question their ability to support innovation impartially," he mentioned.

The impact of this trend extended beyond the individual startups affected. When government

funding is influenced by political considerations rather than business viability, it creates a skewed environment where only those with the right political connections can succeed. This not only stifles innovation but also limits the diversity of ideas that are crucial for a healthy and dynamic economy. Our startup ecosystem thrives on a variety of perspectives and solutions, which can only be achieved when funding decisions are based on merit rather than political allegiance. The politicisation of funding decisions also has serious implications for investor confidence. Both domestic and international investors are likely to view a system where political favouritism plays a role in funding as unreliable and biased. This erosion of trust can lead to reduced investment and slower growth for the sector as a whole.

Right now, the credibility of our startup ecosystem is at stake, and regaining it will require significant effort and reform. Raied suggests the SBL board should be more meritocratic, diversified, and focused on returns rather than political spending. This would involve ensuring that the core management, while composed of industry veterans, is insulated from political pressures. The government representatives on the board should be regulated to ensure they do not influence funding decisions based on political considerations.

"To ensure greater transparency and accountability, it is vital to establish clear and standardised criteria for funding decisions, which should be openly communicated to all applicants. Additionally, independent audits and regular public reporting on the allocation of funds would help build trust in the process," Shahir explained.

Given the allegations of political bias, it would also be crucial for the interim government to conduct a thorough review of previous funding decisions made by Startup Bangladesh. This review should aim to identify any instances where political considerations may have played a role and offer a second chance to startups that were unfairly denied funding. By doing so, they can demonstrate a strong commitment to fairness and help restore confidence.

At the same time, it is important to recognise that government funding should not be the only source of capital for startups. The interim government should take steps to encourage private investment, offering tax incentives for angel investors and venture capitalists, and removing regulatory barriers. This will help create a more diversified funding landscape, where startups have multiple avenues for securing the capital they need to grow. Engaging with startup founders, investors, and other stakeholders to identify and address systemic issues within the ecosystem is also crucial. This engagement can lead to meaningful reforms that support the growth of the sector and promote a fair and unbiased funding process.

The integrity of our startup ecosystem is crucial for Bangladesh's future economic growth. The future of our innovation economy depends on these crucial reforms, and the time to act is now.

JOBS SPOTLIGHT

CARE
Bangladesh
Construction Supervisor



Deadline: September 11
Eligibility:
● BSc/Diploma in civil engineering with prior experience as a civil engineer in UN/INGO/LNGO or relevant fields.
Minimum experience: 3 years

United States
Embassy Dhaka



Fraud Investigator
Deadline: September 17
Eligibility:
● Bachelor's degree in Science, Arts, or Commerce (US equivalent to two years of college or university studies).
Minimum experience: 3 years

World Food Programme



IT Operations Officer (Infrastructure)
Deadline: September 16
Eligibility:
● Advanced University degree in Computer Science or other relevant field with additional years of related work experience or training/courses.
Minimum experience: 3-5 years

Sheltech (Pvt.) Ltd.



Senior Executive/Executive
Deadline: September 15
Eligibility:
● BBA/MBA /Masters in Marketing/Post Graduation in any relevant subject.
Minimum experience: 1-2 years

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"A business that makes nothing but money is a poor business."

HENRY FORD

Bangladeshi-born founder's Australian startup acquired for \$16 bln

NEXT STEP DESK

AirTrunk, a data centre group founded by Bangladeshi-Australian entrepreneur Robin Khuda, is set to change hands in a USD 16.1 billion (AUD 23 billion) deal. American alternative investment management company Blackstone and the Canada Pension Plan Investment Board (CPP Investments) are acquiring AirTrunk from Macquarie Asset Management (MAM) and the Public Sector Pension Investment Board (PSP).

AirTrunk, regarded as the largest data centre group in Asia Pacific, has 11 sites across Australia, Japan, Malaysia, Hong Kong, and Singapore. It was founded in 2015 in Sydney. At USD 16.1 billion, the deal is the largest buyout in Australia this year and one of the biggest in recent history, according to a recent Reuters report.

Arriving in Sydney from Bangladesh at the age of 18, Khuda pursued an accounting degree at the University of Technology Sydney, followed by an MBA in finance from Manchester Business School in the UK and further studies in the USA. The now 45-year-old tech entrepreneur's transition from the corporate world to the startup arena, initially funded by his retirement savings, has culminated in the creation of AirTrunk, according to SmartCompany, an Australian publication.



AI startup by OpenAI co-founder raises \$1 billion

NEXT STEP DESK

Safe Superintelligence (SSI), a new artificial intelligence startup co-founded by Ilya Sutskever, former chief scientist and co-founder at OpenAI, has successfully raised \$1 billion in funding. The Palo Alto-based company, which aims to build AI systems that significantly surpass human capabilities, made the announcement in an exclusive interview with Reuters.

SSI is currently operating with a small team of 10 employees but plans to use the newly raised funds to expand its workforce by attracting top talent and acquiring computing power. Among its investors are prominent venture capital firms including Andreessen Horowitz, Sequoia Capital, and NFDG, an investment partnership led by Nat Friedman and SSI's Chief Executive Daniel Gross.

Ilya Sutskever, 37, is widely regarded as one of the most influential figures in AI. He co-founded SSI in June this year alongside Gross, who previously led AI initiatives at Apple, and Daniel Levy, a former OpenAI researcher.

How to conduct a "career audit" for yourself

SHAMS RASHID TONMOY

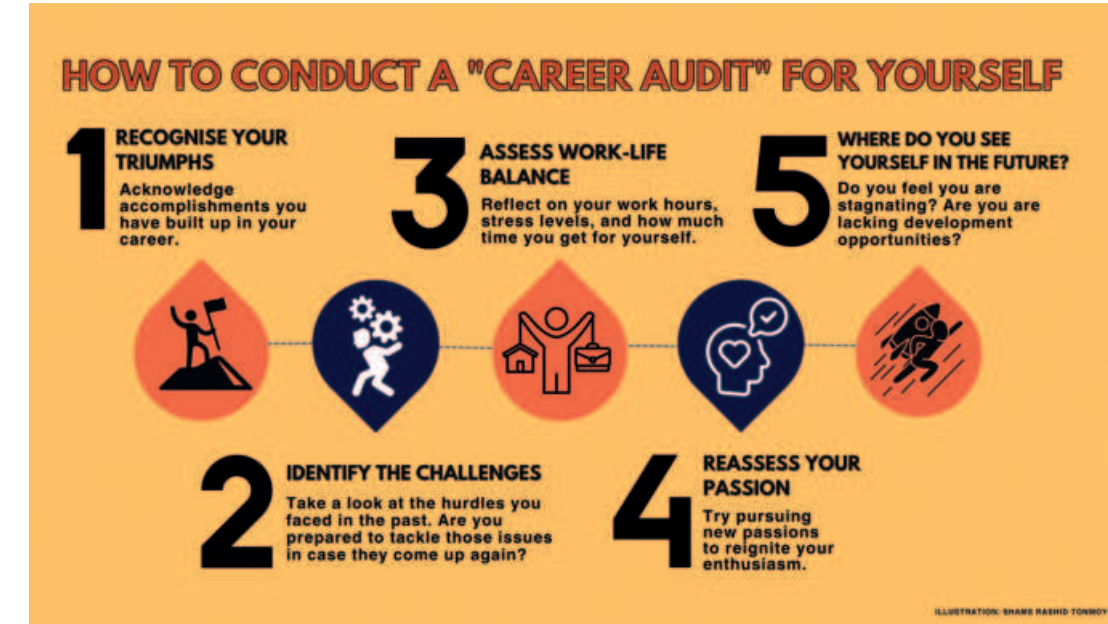
Let's face it. Jobs of any nature can tend to wear one down - especially if you have been grinding it out in the same place for many years. Just as companies conduct annual performance reviews to assess employee performance, you could do a "career audit" for yourself as well. This should help you reflect on your professional accomplishments so far, and help you decide whether or not you are satisfied in your current role. Here's how you do so in a friendly, systematic way.

Recognise your triumphs

If you have been working full-time for a while, you should have built up a respectable quantity of accolades that you are proud of. Taking a step back and acknowledging

Perhaps the passion that guided you at the beginning of your career has waned off, and you find yourself excited towards a new venture. If you find it hard to stay engaged in your current role, try pursuing new passions to reignite your enthusiasm.

these accomplishments is a great way to renew job satisfaction. Furthermore, reflecting on your triumphs will give you some



much-needed confidence, helping you to ace future job interviews or performance reviews.

Identify the challenges

Alongside your success, take a look at the hurdles you faced that were especially challenging. Why did those obstacles trouble you so much? Are you prepared to tackle those issues in case they come up again? Identify which challenges helped you grow, and which areas you need to develop further, as there might be a skill or two that you don't particularly feel confident in.

Assess work-life balance

If you are suffering from burnout, this is the perfect time to

take a break and conduct a career audit. Reflect on your work hours, stress levels, and how much time you get for hobbies, family, and self-care. If your job is taking over your life, consider what should be changed to improve balance, including setting boundaries and delegating tasks.

Reassess your passion

Perhaps the passion that guided you at the beginning of your career has waned off, and you find yourself excited towards a new venture. If you find it hard to stay engaged in your current role, try pursuing new passions to reignite your enthusiasm. Don't be afraid to consider transitioning to a new

role that better matches with your new sense of fulfillment.

Where do you see yourself in the future?

Rather than waiting for your supervisor to systematically evaluate your worth as an employee, take charge in analysing your professional growth. Break down your current career path and see if it aligns with your long-term goals. Do you feel you are stagnating? Do you think you are lacking development opportunities? Do you not feel fulfilled? The answers to these questions will determine the success of your career audit, and ultimately, your job as well.