Programmers create unlikely IT boom in Belarus

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Despite its state-controlled economy, Belarus has become an unexpected top performer in information technology, with its programmers developing such worldwide hits as the World of Tanks game and mobile messenger app Viber.

More than 38,000 people work in the IT sector and the value of its companies' exports is growing by 40 to 50 percent per year. It is expected to reach $800 million (740 million euros) this year.

The small ex-Soviet state of 9.5 million wedged between Russia and the European Union has been ruled by authoritarian President Alexander Lukashenko for more than two decades, its moribund economy propped up by Moscow.

Yet Belarus has encouraged the growth of IT companies with tax breaks. The developers of computer programmes have relatively high salaries and have become an elite, one that is sometimes willing to voice political opposition.

It was Belarusian programmers along with Israelis with Belarusian roots who developed the Viber free phone call app, working for Viber Media, which was started by two Israelis and has now been sold to Japan's Rakuten.

The best-known Belarusian IT company, Game Stream, created the World of Tanks game, played by more than 100 million people around the world.

Viktor Novochadov, the director of Game Stream's studio Wargaming.net, spoke to AFP recently at an economic forum. An energetic man in a bright shirt and tie, he was bursting with enthusiasm about the prospects for Belarus.

He puts Belarus's computer technology skills down to the Soviet era—when the country housed "the most science-driven, advanced production and the most highly-qualified specialists."

Tax-free regime

The turning point for the IT industry came in 2005 when Belarus set up its Hi-Tech Park, where companies can work without paying any corporate taxes, Novochadov said.

"Many countries in the ex-Soviet space still have nothing similar to match our Hi-Tech Park," he said, adding that "these countries have already fallen far behind, maybe hopelessly behind."

"It's amazing—as often they have significantly more financial resources than we do—but as it turned out, that's not enough to develop the IT sphere successfully," he said.

Almost entirely virtual, the Hi-Tech Park only has a handful of physical buildings close to the centre of Minsk.

The rest of the 144 companies that are "residents" of the park have offices elsewhere in Minsk or in other cities.

CEO of application maker Viber Media Talmon Marco announces Japan's online shopping giant Rakuten's acquisition of his company for 900 million at a news conference in Tokyo on February 14, 2014

By offering career prospects and interesting projects, Belarus is now hiring programmers from abroad, Novochadov said.

"Everything suits them here: the work, the pay and the prospects of career growth."

Ten percent of employees at the tech park are German, French, British and South Korean, said its deputy director Alexander Martinkevich.

On the wall in his office is a map of Belarus where he marks the places he visits to give career talks on studying computer sciences, amid a

shortage of qualified local staff.

'We are the intelligentsia'

At 24, Vadim is already a senior programmer at one of the companies in the Hi-Tech Park while still studying nights at university.

"I started programming in seventh grade. By the tenth grade I realised this was going to be my work," he said.

He began working at 19 at a large company, one of the first developers of software support services.

His financial independence from the state also spells political independence—to some extent.

The programmer told AFP that he took part in an opposition rally ahead of October's presidential polls, but asked for his surname and company not to be mentioned.

"It's true that programmers took part in the protest against (a proposed) Russian military base, because we are the intelligentsia, and the intelligentsia should care about what happens in the country," he said.

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The rare street protest in Minsk with around 1,000 people was organised by opposition leaders recently freed from jail by Lukashenko.

"We aren't afraid we could get sacked. We will always find another job," said Vadim.

'A different reality'

The in-demand Belarusian programmers, most of whom are under 30, enjoy a wide range of perks.

In a decade, the monthly salary for programmers at the tech park has risen from $236 to $2,000, higher than in other countries in the region, Martinkevich said.

"We are no longer seen as suppliers of cheap low-qualified labour."

The employees pay a fixed lower rate of income tax, nine percent instead of 13 percent.

They also get Western-style benefits packages—otherwise virtually unheard-of in Belarus whose economy is dependent on Russia and has had to devalue its currency several times to deal with the spillover from the Russian recession.

"As the country constantly devalues its currency and the economic crisis deepens, being a programmer in Belarus means making a success of yourself," said economist Pavel Daneiko.

"These people have well-paid work, salaries pegged to the dollar and comfortable offices. They live in a different reality to the rest of Belarusians."

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