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Belarus' IT sector could face a mass exodus

Since 1990, Belarus' tech industry has flourished under the government's protection — until it became involved in politics

Read this article in Russian.

Nowadays it is standard for Eastern European countries to have a highly developed sector for the export of IT services. After the collapse of engineering cooperation within the State Defence Order of the Soviet Union, many countries in the region were left with a whole host of excellent technical universities and engineering institutes. And in Belarus, too, the IT business flourished in the 1990s, linked from the very start with the development of custom software. By 2020, the sector accounted for as much as five per cent of GDP, which is a huge figure for what was primarily an industrial country.

And the IT sector in today's Belarus is not just centred on outsourcing. In fact, a whole range of internationally renowned products were also developed in the country, including Viber, World of Tanks, MSQRD, Flo and hundreds more. Code written by Belarusian programmers can be found in virtually all of the most well-known global products.

But it is not just the excellent engineering basis that is a decisive factor in the success of the IT sector, which is significant even compared to neighbouring countries. In 2005, the authorities established the Belarus Hi-Tech Park (HTP) — a special extraterritorial tax regime where IT companies receive substantial tax benefits and preferences, while working legally. Most importantly, under the protection of the government, these companies face virtually none of the problems typically encountered by private companies in Belarus (siloviki or 'securocrats', inspectors, pressure from local authorities, corruption etc.).

‘Seoul in the centre of Pyongyang’

It is important to point out that Belarus is a relatively poor country with no oil and gas reserves and average wages of less than €500 a month. Against this backdrop, employment in the IT sector is virtually the only way a young person can achieve social advancement with an interesting job and a decent salary, even by European standards (around €2,000 a month). Consequently, over the last few years, all the most able and intelligent Belarusians began to work in the technology sector. Belarusian designers have made a global name for themselves as high-quality, innovative developers with the European mentality, culture and values that are essential for the sector.

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The relatively high income level and participation in a broad international network meant that IT experts travelled a lot and learnt how business works in the developed countries of Europe and in the US. This had a very specific impact on the culture and political views of the employees themselves. Thanks to the benefits and protection from government pressure, they have been living as ‘internal emigrants’, barely coming into contact with the authorities and government structures. The Belarusian writer Victor Martsinovich aptly described the situation as ‘Seoul in the centre of Pyongyang’.

But it is impossible to live in an eternal parallel enclave, even with an increasingly important and growing sector. There are currently between 60,000 and 100,000 IT specialists in Belarus and yet demand for experts still exceeds supply — IT specialists are certainly not afraid of losing their jobs and see themselves as independent, which, to some extent, forces companies to be led by the mood of their staff. The IT sector is increasingly becoming involved in public life: initially this was in the form of social hackathons; during the Covid-19 pandemic, when the government adopted the position of ‘Covid dissident’, there was a wave of volunteering and the sector provided doctors with non-repayable technical assistance. They used 3D printers to print protective masks and also donated ventilators.

From parallel life to political

involvement

The first sign of the IT sector becoming involved in politics was the Presidential candidacy of the founder and head of the Belarus Hi-Tech Park, Valery Tsepkalo. The entrepreneur had a diplomatic career under his belt and this fact was already a particular source of friction between the IT community and the authorities. IT specialists played an active role in Tsepkalo's campaign and also that of another candidate, Viktar Babarika.

To contest non-transparent elections, IT experts created the 'Golos' (voice) and 'Zubr' (bison) alternative vote count platforms to be used by voters to take photographs of their ballots, which were then processed using computer vision. The 'Golos' platform's report proved that the official results in no way corresponded with the actual ballots photographed, nor with the published reports of the participants.

After the elections, many IT specialists took part in mass protest actions. As independent experts, they were not afraid of losing their jobs and were not protesting for a crust of bread. They were protesting in the name of civil rights and European values, in opposition to the Soviet military aesthetic of the authoritarian state, where they had no genuine right to vote.

Many IT specialists volunteered for the various solidarity funds set up to help the victims of state force. Several thousand senior executives and other members of the tech industry signed an open letter calling for an end to violence against the protestors, for those responsible to be held to account and for new, transparent elections to be held.

Thousands of solidarity actions were conducted in the Hi-Tech Park. The ByChange initiative was launched, where volunteers helped to retrain siloviki as programmers so they need not worry about being left with no income after having lost their jobs for refusing to follow government orders. Mikita Mikado, the founder of the successful company PandaDoc went even further: he declared his willingness to help these individuals financially. Yet, on the day he signed the agreement to that effect, his Minsk-based company was searched and the director and product manager arrested. Several well-known entrepreneurs and top managers also became members of the Coordination Council created by civil society organisations with the objective of facilitating dialogue.

A possible mass exodus of IT workers

For the first three days after the elections the internet was more or less disconnected across the country and the majority of popular proxy servers and VPNs were also blocked. The network was switched on again but mobile internet connections continue to be plagued with disruptions on days when mass protest actions are planned.

Many IT specialists were arrested and severely beaten over the course of the political campaigns and several are still detained. The atmosphere in Minsk at the moment could hardly be described as productive. Programming work requires creativity, peace and quiet and a positive environment. Fear, worry about the future of our nearest and dearest, concern regarding the situation in the country, a shattered business climate and a legal default — all this impacts the motivation of many companies and their staff to relocate, to take their families and leave the country.

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Among the factors deterring them from leaving are, strange though it may seem, Covid-19, as a result of which the borders are largely closed and also the hope that the crisis will be resolved with a positive outcome for the protestors and Belarus will become a genuine European democracy.

But, if this does not come to pass, the sector needs to prepare itself for a mass exodus. And here we are talking about tens of thousands of people and hundreds of companies. Everyone is aware that, should the situation in Belarus have a negative outcome, it will be impossible to work in peace as they did before. The IT sector is nervous that the authorities will retaliate.

IT workers often don't want to relocate

The general economic decline is threatening to spark a humanitarian crisis in Belarus against the backdrop of complete legal paralysis and this will impact each and every sector. The threat of default and/or devaluation of the national currency is hanging over the country, the central bank is addressing a rush in demand for currency by reducing liquidity and this, in turn, puts the entire banking sector at risk. Every company is working on a ‘plan B’ in case emergency relocation is required and many companies are already cutting staff. It is really still too soon to talk about a mass exodus, as it is quite difficult for large companies to develop the required infrastructure, but at least ten small companies have

already actively embarked on the process.

When it comes down to it, there are two possible political outcomes of the current situation: either there will be a transfer of power to a democratically elected candidate (or parliament) or, with Russia's support, the current regime will remain in power in one form or another. Many companies are also anxious about the threat of an overt or covert takeover by Russia. Despite the fact that Russian authoritarianism is generally less rigid when it comes to domestic politics, the Russian authorities are perceived as not adhering to the rule of law and any sanctions would clearly impede technological business.

Fuelled by belief in a better future, for a month now, hundreds of thousands of people have been taking to the streets in protest. Society is ready to enter into dialogue with the authorities but as long as the arrests continue, the hope for productive dialogue is fading before their very eyes. Nobody wants to leave and many of those who have already left the country would be prepared to return as soon as the situation is more stable and the country safer. IT specialists earn good salaries and do not need to move to a developed country for better pay. So for the majority, relocation is not the most desirable prospect and really represents nothing but stress.



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