Culture & Creativity
EU-Eastern Partnership Programme

Three Steps to Development of Cooperation between IT and culture in Belarus

A policy brief for Culture & Creativity
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Executive Summary

The IT sector is the fastest growing industry in Belarus. To date, the country has 1,052 IT companies or companies that actively use IT in their field.

However, despite significant advances in the IT field, in general there are a number of problems that the Belarusian IT infrastructure faces.

1. Low level of own development.
2. Low level of startup culture.
3. Constant shortage of specialists.

Experts, for example, Viktor Denisevich, investment company Zubr Capital, note that these problems are of an infrastructural nature and are associated with a low level of soft skills, creativity and IT education infrastructure, and not in the absence of financing, legal or economic spheres.

Ways of solution

The establishment and development of interaction between the IT sphere and the cultural sphere are primarily aimed at creating conditions for such interaction, initiating infrastructural changes, creating a common platform for such a dialogue. This will make such interaction not sporadic, but aimed at long-term work and the creation of joint projects.

Step 1. Changes at the legislative level

- Improving taxation can be the first step towards bridging the cultural sphere and IT.

Step 2. Open dialogue program

- Important is the idea of an open dialogue between the two spheres, which includes a series of educational, entertaining, discussion meetings.
  Such as:
  - Excursions;
  - Joint meetings;
  - Joint activities;
  - Lectures in IT companies on contemporary art, contemporary music or urban space;
  - Popularize the intersection of culture and IT (for example, DJing, digital photography, e-books, etc.) as a hobby.

Step 3. IT Creative Hub

- To create long-term projects that include interaction and mutual enrichment of the two spheres.

Introduction

10th years of 21st century in the history of Belarus is a difficult period for the economic situation in the country, against which the IT sphere looks like a kind of "lifebuoy", because can provide:

- Highly profitable projects;
- A positive image for the country on the international market;
- Development of local infrastructure;
- Employment for talented youth.

At the same time, the sphere of culture without significant infusions from the state was on the verge of extinction or rudimentary existence thanks to individual enthusiasts from among the creative intelligentsia.

The risks of cultural stagnation are high:

- A decline in the level of cultural education;
- Lack of creative and entrepreneurial initiative;
- Lack of bright, creative personalities and projects;
- The country's unstable reputation in the international arena.

The interaction between IT and the cultural sphere will stimulate of appearance big number of creative and innovative projects. It will promote economic development, increase people's employment, improve the image of the country in the Mediterranean arena, and attract investment to the country.

2. Analysis of the problem

The IT sector is the fastest growing industry in Belarus. To date, the country has 1,052 IT companies or companies that actively use IT in their field. At the end of 2015, the IT sector (computer-related activities) increased its share in GDP to 2.1% and bypassed the manufacturers of machinery and equipment, whose share fell to less than 2% of GDP.

It should be noted that the IT sphere is a sphere with high added value. According to the Belarusian Statistical Committee, the added value of IT sphere is 85%. So IT ranks second in terms of value added, overtaking only insurance.
Moreover, the IT sector is one of the main exporters of services in the country, ranking second in the export of services, after transport services.

The development of the IT sector positively influences the image of the Republic of Belarus. In 2016, 10 Belarusian companies entered the prestigious rating of Software-500 (the best software companies around the world). In the same year, The Wall Street Journal called Belarus "the silicon valley of Eastern Europe".
However, despite significant advances in the IT field, in general there are a number of problems that the Belarusian IT infrastructure faces.

1. Low level of own development. As the UNITER research agency notes, only 8% of all IT companies are engaged exclusively in developing their own software. 88.7% of Belarusian IT business are typical outsourcing companies. In other words, there is still a low level of creativity in the sphere.

2. Low level of start-up culture. The largest venture investor Dmitry Gursky gives an example for comparison: in Belarus there are 100 startups, in Israel in 2015 - 6 000. The lack of a startup culture does not allow to grow a large number of food companies in Belarus.

3. Constant shortage of specialists. The IT sphere is constantly growing - on average by 30% per year, and requires more and more new specialists. The infrastructure for preparing a large number of staff is not developed. A quick look at the vacancies on the site head hunter, gives the following picture. Large IT companies need much more personnel than large Belarusian companies from other spheres.

<epam>	WARGAMING.NET LET'S BATTLE	itransition SOFTWARE DEVELOPMENT COMPANY	БЕЛАРУСБАНК
44 vacancies	**95 vacancies**	**33 vacancies**	**3 vacancies (for comparing)**

Experts, for example, Viktor Denisevich, Duputy Director of investment company Zubr Capital, note that these problems are of an infrastructural nature and are associated with a low level of soft skills, creativity and IT education infrastructure, and not in the absence of financing, legal or economic spheres.

In this sense, the development of creative initiative and creative thinking is an effective way of forming a new generation of IT specialists capable of implementing large-scale profitable projects. Using the example of one of the most successful Belarusian IT projects, World of Tanks, we can state that in order to create a creative product, competences are needed in the following fields of human knowledge: history, visual arts, architecture, urbanistics, landscape and interior design, costume history, etc.

However, today the spheres of culture and IT are very much disconnected, both territorially (the map of IT offices, most of which is located on the territory of the HTP, does not coincide with the map of major cultural institutions and initiatives), and symbolically.

The main goal of such interaction is to create an infrastructure for interaction between culture and IT.

In general, there are three interested groups that are involved in the problem of establishing interaction between the cultural and IT spheres:

1. The agents of the cultural field (art managers, curators, artists, musicians, designers - the range of interaction is very wide): will give an inflow of financing, increase managerial quality, will create new products and activities.

2. IT companies (Belarusian and international IT companies that operate in Belarus): developing creativity among employees, attracting new employees, improving their own product, creating new products.

3. The state: improvement of infrastructure, improvement of the country's image, attraction of investments.

3. Ways of solution

The establishment and development of interaction between the IT sphere and the cultural sphere are primarily aimed at creating conditions for such interaction, initiating infrastructural changes, creating a common platform for such a dialogue. This will make such interaction not sporadic, but aimed at long-term work and the creation of joint projects.

Step 1. Changes at the legislative level

Improving taxation can be the first step towards bridging the cultural sphere and IT. In Belarus, there is already a practice when the state introduces tax benefits, in particular profit tax, when an organization supports commercial and social initiatives. In particular, there is the Decree of the President of the Republic of Belarus of 01.07.2005 № 300 "On Granting and Using Gratuitous (Sponsorship) Assistance", however such tax privileges are provided only in case of support and development of physical culture and sports. Expanding this list in favor of supporting cultural organizations and projects could be the first step towards the development of productive interaction between culture and IT. This would be an incentive for acquaintance of IT and culture with each other.

At the same time, not voluntary, but charming taxes on culture can only exacerbate the state of affairs. As a result of the compulsory tax on culture, IT companies will pay a similar tax, but they will not build equal relations and build joint projects in any way.

The second legislative change could be a special decree that would provide additional benefits for projects made at the junction of culture and IT. This can be an important incentive for the construction of an ecosystem of joint projects between the two spheres, their rapprochement. A precedent of such a decree is already available in the practice of the state, as exemplified by Decree No. 12 of 2005, which resulted in the formation of a Park of High Technologies with special preferential taxation provisions. Additional benefits in the field of interaction between culture and IT can become a fundamental condition for creating such an interaction.

Step 2. Open dialogue program

Cooperation between IT sphere and creative industries represents advantages for both sides. One of the important reasons why there is still no dialogue between the cultural and IT spheres is that representatives of these two spheres simply do not know each other.

Important is the idea of an open dialogue between the two spheres, which includes a series of educational, entertaining, discussion meetings.

Such as:

- Excursions on key IT and cultural spaces

- Joint meetings-presentations of projects (start-ups of IT and culture spheres) for the purpose of evaluation and mutual consultations
- Conducting joint activities in cultural and IT-spaces
- A series of educational lectures in IT companies on contemporary art, contemporary music or urban space.
- Popularization of the hobby at the intersection of culture and IT (for example, DJing, digital photography, e-books, etc.)

Such dialogue will become the beginning of acquaintance and interaction between spheres. It will also be profitable from both sides

IT specialists will be able to develop creative thinking and soft skills, will be capable of non-standard solutions for both everyday and professional life. IT companies will be able to replenish their staffing heads, and the number of projects offering their own product will grow significantly. All this will contribute to the development of the economy and the influx of international investment.

Agents of the cultural field will gain priceless competences in project management, learn to think big, and not within their own organization or field of activity, will use new technologies and technical innovations in their creativity, expand the boundaries of their community through remote communication in virtual reality.

At the same time, it is worth noting that this prospect has not only advantages, but also disadvantages. The main risk is that such a program requires several years for its implementation, as well as attracting a large number of experts, both from the creative industries, and from the IT sector.

Шаг 3. IT Creative Hub

To create long-term projects that include interaction and mutual enrichment of the two spheres - IT and culture, not only dialogue is needed, but it is important to build a real ecosystem so that the interaction meets the following parameters:

- was of a pre-term nature;
- the result was innovative projects and developments;
- included the educational level;
- access to financial institutions and investors;
- access to experts and mentors.

The solution to this problem can be the creation of a special business incubator, focused on projects with cultural and IT components - IT Creative Hub. This physical site with covings, lecture rooms, meeting rooms, an educational center, galleries and a media library that accelerates - that is, the selection and support of projects at the intersection of IT and the cultural sphere, and the development of these projects with the involvement of mentors, potential investors and experts .

Two IT incubators already exist in Belarus. This is Imaguru and the business incubator of PVT.

These incubators have a broad focus, and support all projects related to IT. The specific focus of the IT Creative Hub will be its strong feature, as it will give a strong expertise for projects, create an ecosystem, attract large players.

One of the main problems in the implementation of this project is its long-term component and large investments in the construction and organization of the IT Creative Hub.

However, thanks to the involvement of all three stakeholders, issues with financing and infrastructure building can be solved:

A state that can provide a premise for an incubator at a reduced price or for free;

IT-companies. In Belarus, there are several world-class projects and international fame, which are implemented at the interfaces between IT and culture. For example, World of Tanks, Gismart, MSQRD, Kinomo and others. These companies, on the one hand, could become members of the board of trustees of the IT Creative Hub, on the other hand, become mentors and provide their expertise in that area. Becoming mentors of such projects, these companies get access to the best young specialists in this field and innovative technologies, they are the first to use the technologies that are developed in the hub.

Cultural sphere. The cultural sphere can provide its expertise, find teams for the implementation of joint projects.

4. Recommendations
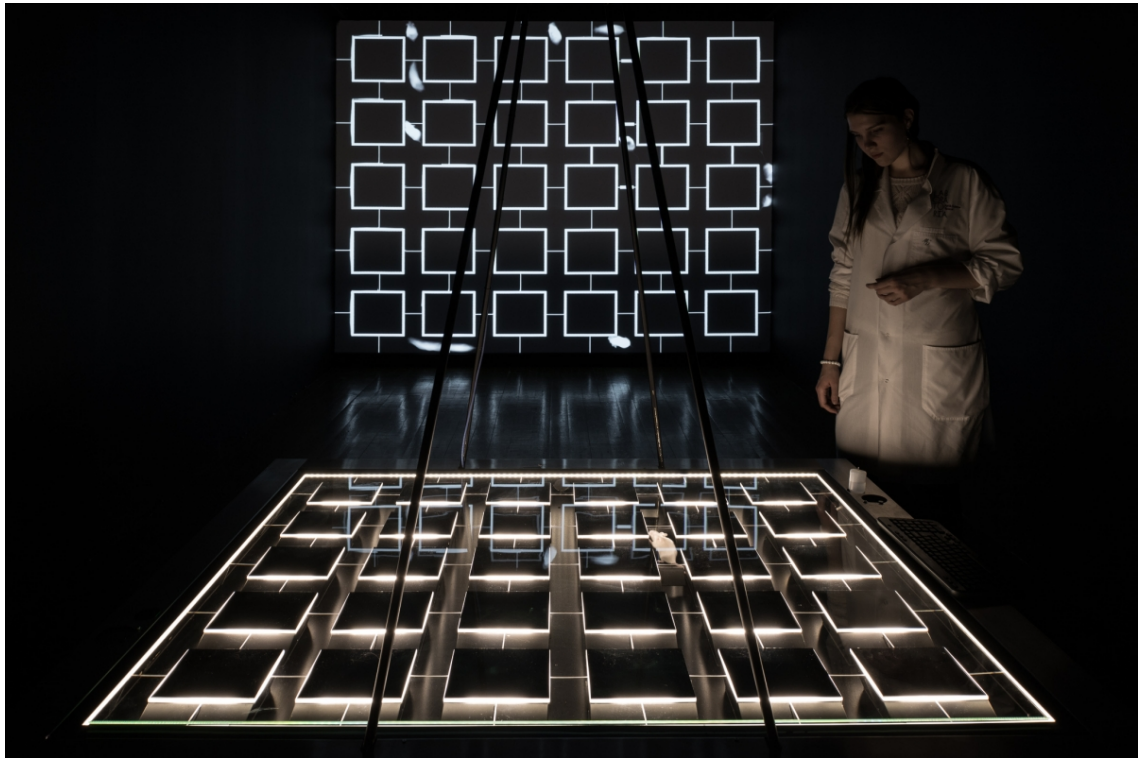
The interaction between IT and culture should be more regular and more effective, for which a special program of strategic interaction can be developed. Infrastructure changes are needed to ensure that this interaction was not of a short-term nature, but was implemented on an ongoing basis, stimulated the creation of projects at the interfaces between IT and culture. HR experts, personal growth, education, culture and IT should be involved in the development of the program.

The first step in the work on the Creative IT Hub can be started within the open table with representatives of IT companies, government organizations and the cultural sphere to discuss the interaction between IT and culture, on the agenda of which the following issues will be discussed:

● Amendment of Decree No. 300 "On Granting and Using Gratuitous (Sponsorship) Assistance", and the creation of a Decree similar to Decree No. 12 granting tax breaks for projects created at the clash of IT and culture;

● Development of a program for interaction between culture and the IT sector for 1 pilot year, then for 5 years with a specific plan of activities;

● Development of the project on the opening of Creative IT Hub, according to the principle of a business incubator and HTP as a single platform for interaction between the IT community and culture.

5. Refernces

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Disclaimer

The policy briefs are the result of capacity building work undertaken by the EU-Eastern Partnership Culture and Creativity Programme in 2016-2017 with 240 Programme Associates, who had completed a series of eight workshops in business management for mid-career cultural operators. The purpose of these briefs is to help them additionally understand the role of professionals in providing concise and neutral policy advice in the area of their competence. The task was to identify problems with in the sector, provide potential models, options and solutions, support critical thinking, evidence-based policy analysis and the formulation of recommendations. The ideas were developed by the Associates themselves.

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