

CULTURAL VOUCHER – A NEW INSTRUMENT FOR BOLSTERING CULTURAL CONSUMPTION IN THE REPUBLIC OF MOLDOVA

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Abstract

The trend of reduction of cultural consumption, especially among youth, in the Republic of Moldova in the last years has been accentuated by the COVID-19 pandemic and the process of digitalization. In order to stimulate the cultural consumption among youth from Moldova has been implemented recently the national program "Cultural Voucher" which represents a financial instrument that offers an amount of money that can only be used on expenditures for cultural goods and services. In this paper is analyzed the international experience in adopting cultural vouchers on which was based this program in Moldova, the current development in the country and future prospects.

Key words: *cultural voucher, youth, children, cultural consumption, Republic of Moldova.*

JEL: *H53, I38, J13, Z18.*

Introduction

The COVID-19 pandemic restrictions affected the income and consumption of households worldwide, including in Republic of Moldova. Prioritisation of consumption oriented households towards the basic products and services and has determined the reduction of consumption of cultural goods and services. In the case of Republic of Moldova, the trend of reduction of consumption of cultural goods and services is seen even before the pandemic, but during the pandemic there was a sharp decrease. We should mention that the trend of digitalization, pronounced during the pandemic, was and is a factor in shifting towards the online consumption of goods and

services. The worrying trends are confirmed by statistical data. According to the data of National Bureau of Statistics of Moldova the number of persons per 1000 people that went to theaters has reduced from 156 to 56 or by 2.8 times in the years 2016-2021 [7]. The number of visits to libraries reduced from 8.2 millions in 2016 to 4.9 millions in 2021 or by circa 41%. The number of books and journals that were given to readers by the libraries reduced from 16.0 millions to 8.0 millions or by circa 49%. The number of visits to museums reduced from circa 800 thousands in 2016 to circa 500 thousands in 2021, also in relative terms - the number of visits per 1000 people reduced from 288 to 192 or by circa 1/3. The number of visitors to cinema in the period 2016-2021 has reduced by circa 38% or from 425 to 262 thousand. A big decrease was in the number of visits to cultural institutions in 2020 because of COVID-19 strict restrictions and people's decisions to avoid crowded places. In 2021 the indicators increased compared to 2020, but the general trend of reduction from pre-pandemic period continued. These trends are more pronounced between young people.

In order to stimulate the cultural consumption among young people in Republic of Moldova was decided to implement the national program "Cultural Voucher" based on the international experience in adopting similar programs [4].

1. International experience in using cultural voucher

The use of cultural vouchers is relatively recent. They were implemented in such countries as: Brazil, Slovakia, Spain, Italy, France. In Brazil it is oriented towards workers, not young people. In Spain, Italy, France – it is used by young people and in Slovakia – by children of school age. In all these countries the respective program of cultural vouchers has practically the same mainly three objectives: to offer easier access to cultural products and services; to motivate the visiting artistic and cultural places and to stimulate the participation in cultural and artistic events and performances. The form of the cultural voucher can be in physical form (printed or as a magnetic card). In Brazil it is offered monthly a credit of R\$50 (which is about US\$10), that is cumulative and has no date of expiration. The cultural voucher is given to the employee who receives up to 5 monthly minimum wages. The employees with an income higher than 5 minimum wages can receive the cultural voucher, if all workers with an income lower than 5 minimum monthly wages of the respective enterprise are guaranteed to receive the

cultural voucher. In Slovakia cultural vouchers are oriented towards children of school age, the objectives of them being the support of the relationship of children and young people and their teachers with cultural values; the creation of the conditions for the active participation of cultural institutions in the education of young people in school and the support of the competition between cultural institutions in order to increase the quality of their activities and the addressability and transparency of state subsidies to cultural institutions based on the real interest of citizens for their services and, also, supervising the interest of children and young people in culture and monitoring the frequency of cultural institutions of this age category. A cultural voucher is issued in the name of a certain natural person - a student or a member of the teaching staff of a primary or secondary school. The cultural institution becomes the owner of the voucher when the student or teaching staff uses the voucher to pay for a cultural activity or service. A cultural voucher is a financial voucher worth EUR 4 which is valid for one calendar year. A cultural voucher is a special annual contribution from the state for a given year for a student and a teacher employed full-time or part-time in a primary or secondary school, which can be used to visit cultural events and activities. It can be used to pay the entrance fee, e.g. in theatres, galleries, museums, cultural centers or to pay other participation fees and services (for example, paying library subscription fees). Each student and teacher of a school that is involved in the Cultural Vouchers program will receive a block of cultural vouchers worth 4 euros, consisting of four cultural vouchers, each worth 1 euro. The cultural institution will allow students and teachers to pay the entrance fee or other participation fee, to use any number of cultural vouchers belonging to a particular student or teacher depending on the amount paid.

In Spain the Cultural Youth Bonus is a direct aid of 400 euros for those turning 18 throughout 2022 to purchase and enjoy cultural products and activities. The youth cultural bonus will be divided into three sections, to encourage discovery and access to different cultural expressions: €200 for live arts, cultural heritage and audiovisual arts, for example tickets and subscriptions to performing arts, live music, cinema, museums, libraries, exhibitions, literary, musical or audiovisual festivals; 100 euros for cultural products on physical support: books; magazines, newspapers or other periodicals; video games, scores, discs, CDs, DVDs or Blu-rays; 100 euros for digital or online consumption: subscriptions and rentals to platforms,

music, printed book reading or audio reading, or audiovisual, purchase of audio books, purchase of digital books (e-books), subscription for downloading multimedia files (podcasts), subscriptions to online video games, subscriptions to digital media, magazines or other periodicals.

In 2016, the cultural voucher measure was introduced in Italy, which young people benefit from when they turn 18 - a bonus of 500 euros. The application for the Cultural Bonus is made online on the 18app website <https://www.18app.italia.it/#/> or through the Bonus Cultura 18 application, by authenticating with Spid (Public and Digital Identity System).

In 2021, the cultural voucher for young people (culture pass) was introduced in France. It is constituted in a platform that takes the form of a mobile application and a web application (<https://pass.culture.fr/>), thanks to which young people between the ages of 15 and 18 can discover diversified cultural proposals. From January 2022, 15, 16 and 17 year olds are eligible for this program. The application has three roles: a) on the one hand, cultural structures publish - according to their wishes and according to the list of eligible activities within the cultural voucher - cultural offers (material goods, digital goods or cultural events), free or paid; b) users benefit from the cultural proposals published on the mobile application and the web application according to their credit of €20 (if they are 15 years old), €30 (if they are 16 and 17 years old), €300 (if they are 18 years old).

2. Implementation of cultural voucher in Republic of Moldova

In order to motivate youth to consume more cultural goods and services in Moldova in the summer of 2022 was discussed and in November 9, 2022 was adopted the national program on cultural vouchers through the Government Decision No. 774 from 09-11-2022 regarding the establishment of the National Program "Cultural Voucher", Published on 15-11-2022 in Official Gazette No. 362, art. 866, nearly on the eve of the International Day of the Students (17th November). This document establishes the program and approves the Regulation on the "Cultural Voucher" National Program. The nominal value of the cultural voucher is set at 1000 MDL (circa 49 EUR) [8]. The re-examination of the nominal value of the cultural voucher is to be carried out by the Government annually, depending on the economic conditions in the country and the possibilities of the state budget. The implementation of the national Program "Cultural Voucher" is to be carried out from the account and within the limits of the allocations provided annually

in the budget of the Ministry of Culture. The Ministry of Culture will take the necessary measures to implement the provisions of the "Cultural Voucher" National Program, will present to the Government annually, by March 15, the report on the implementation of the "Cultural Voucher" national program. The document considers the National program "Cultural Voucher" as an instrument of the Government of the Republic of Moldova, implemented by the Ministry of Culture, through which young people who have reached the age of 18 are granted a cultural voucher with an established nominal value, which can be used during 12 months from the date of allocation of financial means by the Ministry of Culture to procure services and cultural goods. The supplier of cultural product is the public or private cultural organization, resident of the Republic of Moldova, which carries out cultural activity, including offering services and/or cultural goods. The cultural product is a service or cultural good provided or correspondingly sold by a public or private cultural organization. The private platform is any private legal entity, authorized by law to carry out the activity of selling tickets for cultural products via the Internet. The beneficiary is any natural person, a citizen of the Republic of Moldova, who has reached the age of 18. The purpose of this Program consists in facilitating and improving the integration of young people in the cultural life of the country, increasing the capacity of the cultural field to contribute to social cohesion, promoting and developing cultural values, improving the cultural offer, increasing the transparency of the financing of cultural activities, encouraging cultural consumption and mobility. The implementation of this Program pursues the following objectives: encouraging cultural consumption among young people and relating them to national cultural values; increasing the role and place of cultural organizations in the process of educating young people; the intelligent increase in the financing of public cultural organizations, strengthening the competition between them through an innovative tool, anchored in the real interests of young people. The Ministry of Culture has the following duties: to ensure the implementation of this Program and implement its promotion, including by publishing on the official web page of the institution the information regarding the cultural voucher, the eligibility criteria of suppliers of cultural products and beneficiaries, the method of using the cultural voucher, as well as information about the cultural goods and services that can be purchased with the cultural voucher; to approve annually the number of beneficiaries of the cultural voucher; to present proposals

regarding the budgetary allocations necessary for the implementation of this Program; to present proposals regarding the nominal value of the cultural voucher for the next budget year; to elaborate the eligibility criteria of suppliers of cultural products and private platforms, to approve the list of suppliers of cultural products and private platforms; to monitor the activity of suppliers of cultural products and private platforms regarding the use of cultural vouchers, including requesting, if necessary, information on their use; to approve the list of beneficiaries of cultural vouchers, ensures the import of the list and the amount of related budget allocations into the government electronic payments service (MPay); to transfer monthly the financial means corresponding to the list of beneficiaries to the treasury account of the Electronic Government Agency intended for cultural vouchers.

The Electronic Government Agency has the following duties: to ensure the implementation within MPay of this Program; to integrate the information systems of cultural product suppliers approved by the Ministry of Culture with MPay, in order to grant the possibility of paying for cultural products from the balance of the cultural voucher; to transfer the financial means used through the cultural vouchers to the suppliers of cultural products integrated with MPay; to ensure the monthly obtaining, through the interoperability platform (MConnect), from the State Population Register of the list of users to be financed; to ensure the creation of payment orders and to send them to the Ministry of Culture for financing; to ensure the insertion of the financed sums into the accounts of cultural voucher beneficiaries; to maintain accounting records of financial means related to cultural vouchers transferred to the treasury account of the Electronic Government Agency; to generate reports on the utilization of cultural vouchers.

The beneficiary has the right to use the cultural voucher during one year, starting from the date of allocation of the financial means by the Ministry of Culture. The number of cultural voucher beneficiaries is determined by the Ministry of Culture monthly, until the 15th of the month preceding the month for which the number of beneficiaries is calculated, as well as annually, no later than August 31 of the year preceding the year for which the number of beneficiaries is calculated. The Ministry of Culture cooperates with the Public Services Agency to obtain information on the number of beneficiaries.

The quality of cultural product supplier or private platform is assigned by the Ministry of Culture in accordance with the provisions of this

Regulation. To be included in the list of suppliers of cultural products or private platforms, the applicant must meet the following eligibility conditions: to have the status of a public or private cultural organization, in the case of suppliers of cultural products; to have the status of a private cultural organization, in the case of private platforms; to be a resident of the Republic of Moldova; to be registered in the manner established by the legislation; to hold valid permissive documents related to his activity; to offer services and/or cultural goods or, in the case of private platforms, to conduct activity of selling tickets for cultural products via the Internet.

Cultural organizations that meet the eligibility conditions submit an application to the Ministry of Culture for inclusion in the list of suppliers of cultural products or private platforms. The application form will be accessible on the official website of the Ministry of Culture.

The Ministry of Culture, within 5 days of submission, examines the application and verifies that the applicant meets the eligibility conditions. If the eligibility conditions are met, the Ministry of Culture, within 5 days from the date of examination of the application, includes the applicant in the list of suppliers of cultural products or private platforms.

The Ministry of Culture approves the list of suppliers of cultural products and private platforms, which it makes public on the institution's official website.

Cultural organizations approved by the Ministry of Culture and meeting the requirements for private platforms will be provided with the connection to MPay, for the purpose of using the cultural voucher.

Private platforms are operators that provide ticketing services for cultural products via the Internet. A private platform is also allowed to be a provider of cultural products.

Private platforms must ensure: integration of its technological platforms with MPay for the purpose of using cultural vouchers; inclusion on its platforms of the list of cultural products offered to beneficiaries in accordance with the list approved by the Ministry of Culture; making available to beneficiaries the possibility of procuring cultural products with cultural vouchers; identification of beneficiaries (KYC – know your customer) of cultural products who wish to pay for cultural services with cultural vouchers; ensuring the mechanism for checking and marking the single use of tickets purchased with the cultural voucher in the relationship

with the suppliers of cultural products; ensuring settlements with suppliers of cultural products regarding cultural products paid for with cultural vouchers.

Cultural product providers and private platforms will be excluded from the list of cultural product providers and private platforms if they use the cultural voucher for products other than cultural ones.

To use the cultural voucher, the beneficiary will access the platform of the supplier of cultural products that contains the application developed by the Electronic Government Agency.

Authentication of the recipient of the cultural voucher on the official website of the MPay service is carried out through the government's electronic authentication and access control service (MPass), using the recipient's electronic signature.

Payment for services or cultural goods is made through MPay.

Cultural vouchers can be used exclusively for the procurement of services and cultural goods available from suppliers of cultural products and private platforms approved by the Ministry of Culture.

The cultural voucher is unique and cannot be used by third parties for the procurement of cultural goods and services. It is forbidden to transfer the tickets, goods purchased through the cultural voucher to a person other than its direct beneficiary.

When procuring services or cultural goods available under the Program, their cost is deducted from the cultural voucher of the beneficiary, and the respective amount is transferred from the treasury account of the Electronic Government Agency to the supplier.

The tickets purchased with the cultural voucher are personalized and are sent to the beneficiary either by electronic means of communication or physically, with the presentation of the identity document.

The period of validity of the cultural voucher is 12 months, which is calculated from the date of allocation of the financial means by the Ministry of Culture.

If the beneficiary did not use the ticket purchased with the cultural voucher, he does not have the right to return the ticket, and its price will not be returned to his voucher account.

Commercial commissions do not apply to transactions related to cultural vouchers.

At the expiration of the validity period of the cultural voucher, the Electronic Government Agency reimburses the balance of the unused

financial means from its treasury account to the treasury account of the Ministry of Culture. The Electronic Government Agency will reconcile the balances with the Ministry of Culture on a monthly basis.

The "Cultural Voucher" National Program is dedicated to the young people between their 18th birthday and their 19th birthday. The voucher is electronic and can only be used online. On the website www.vouchercultural.md is found out all the information about how the young person can get the voucher. Before getting a cultural voucher the young person should get an electronic (mobile) signature on the website mpay.gov.md which is an official state electronic payment page, through which payment for the selected cultural product is to be made. The electronic (mobile) signature is the digital identity of the person. With the help of the signature the person can authenticate himself/herself on digital platforms, he/she can sign electronic documents or make online requests for certain services, which, normally, are accessible only through physical presence and presentation of the identity document. The electronic signature, including the mobile one, has the same value and legal power as a handwritten (holographic) signature. The obtaining of electronic signature can be done at various institutions depending on the electronic signature tool we want to use. For the mobile electronic signature, citizens must contact mobile operators (Moldcell or Orange), or soon, use the application MobiSign. This represents a person's digital identifier via the SIM card. The electronic signature on the USB token is issued to the beneficiaries by the Information Technology and Cybersecurity Service and can only be used by inserting the USB token type device into the computer. The electronic signature based on the electronic identity card – represents the identity document that contains the means of the electronic signature and the public key certificates. They are inserted into the electronic data storage environment and released at the request of the citizen of the Republic of Moldova by the Public Services Agency. When accessing any electronic service that requires authentication, including the CULTURAL VOUCHER platform website, the beneficiary will be directed to the MPass platform, where he or she must choose the signature method available to him/her. Thus, if he/she has the mobile signature, he/she needs to choose the first option, to enter the mobile phone number and follow the steps, and if he or she has the electronic signature on the USB token, he or she will use the second option, inserting the USB into the computer or laptop. The young person has to get the electronic (mobile) signature to benefit from the full

range of electronic services created by the Electronic Government Agency and made available to all citizens, including the cultural vouchers. The offer is valid for people who reached the age of 18 starting from September 17, 2022. Currently, there are four platforms where people can get tickets to cultural events where cultural vouchers are accepted as a method of payment: iTicket, Mticket, Afisha and the e-bookstore Librarius [1][2][6]. In order to use the cultural vouchers on such websites the beneficiary has to have the digital/mobile signature, check the cultural voucher account on Mpay platform payment and to use the amount of money on cultural voucher on cultural event platform websites.

The Ministry of Culture of the Republic of Moldova by Order no. 241 of 14.11.2022 also approved the nominal list of cultural products offered under the National Cultural Voucher Program. Thus, young people aged 18 will be able to pay online tickets for the following events through the Voucher: Performance activities; Concert activities (domestic artists); Circus activities; Publishing activities (books); Film activities (domestic production); Festival-type activities (theatrical, concert, choreographic, cinematographic, traditional art); Art/Opening/Book Exhibition Activities; Activities of art studios; Dance hall activities; Craft activities; Training activities in the field of culture (creative workshop, training, workshop, master class) [5].

The use of cultural vouchers on digital means helps promote digitalization. “Once obtained, the digital signature can serve as a trigger and key for many digital services, interactions, transactions, digital payments. Young people will have the opportunity to discover two worlds: the cultural one and the digital one”, said the Deputy Prime Minister for Digitalization of Moldova, Iurie Țurcanu.

The Ministry of Culture has foreseen a budget of 44 million MDL (circa 2,16 million EUR) for 2022-2023, estimating that around 45000 young people will benefit from this program. If it is successful, the project will be extended to other social categories [3].

The 1000 MDL, transferred through an one-time payment, if not used within a year, will return to the budget.

By implementing this program, Moldova aligns itself with the best practices found at the European level. Countries such as France, Italy, Germany or Slovakia promote similar initiatives, offering young people cultural vouchers or analogue initiatives.

Conclusions, recommendations, prospects

The COVID-19 pandemic together with the digitalization accentuated the already existing trend of reduction of cultural consumption in Republic of Moldova, especially between young people. To encourage these people to consume more cultural products and services was implemented the National Program "Cultural Voucher" in Moldova. The evolution of this program should be monitored. The recommendations of improving the program can be focused on extension of list of beneficiaries, of means of its financing and of its products and services which will be covered by it.

The Cultural Voucher National Program was in discussion only a few months in Moldova and just recently was adopted and put into practice. It can be said that it may be seen as a pilot project. If it will be successful then the program may be extended to other beneficiaries. Taking into consideration the experience of Slovakia, where children of school age also can get cultural vouchers, but of small monetary amount, Moldova can extend the cultural voucher program to such category. From the example of Brazil the program can be extended towards employees. The experience of food tickets can be used. The extension of groups of beneficiaries can also be done inside the young population, for example, by including young people of 18 years old, 19 years old and more up to the age ceiling of the young age group. The current cultural vouchers in Moldova are focused on domestic cultural products and services. Of course, if the program will be extended towards foreign cultural products and services, obviously the financing has to be increased significantly. In this case the support of international organization should be obtained. The main issue in the extension of the list of products and services, of the list of beneficiaries and of the monetary amount of the cultural voucher itself is the financing of the program, especially for categories of people others than young people. A solution to this may be the actual practice of redirection of 2% of the income tax. In such case it can be oriented towards financing the cultural voucher program for the individual himself/herself who does this.

Acknowledgments

This paper has been elaborated and funded in the framework of the Scientific Project for the period 2020-2023, registered in the State Register of projects in the field of science and innovation of the Republic of Moldova

with the code 20.80009.0807.29 Proiect Program de Stat ”Perfecționarea mecanismelor de aplicare a instrumentelor inovatoare orientate spre creșterea durabilă a bunăstării populației Republicii Moldova” / Project State Program ”Improving the mechanisms for applying innovative instruments aimed at sustainably increasing the welfare of the population of the Republic of Moldova”.

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