Carsten Frerk

The finances and assets of the churches in Germany

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1. Introduction

Finance / Assets / Churches / The economy within the church sphere / Treatment of the subject / Figures

The central focus of this book is the question of 'money'. The churches as institutions and their internal problems play only a marginal role.

A survey among friends and acquaintances yielded two stereotypical answers to the question: 'What do you think: are the churches rich?'. One was: "No. They can't even pay their staff and have to close facilities," and the other: "Not the Protestant Church, but the Catholics – they have so much property from the past, they don't know what to do with all the money." And: when asked whether they knew how much church tax the two major 'official churches' had received last year, nobody could quote a figure. The figure then mentioned (around DM 17 billion) merely confirmed the prejudice of some, whilst others were baffled. There is therefore a need for clarification.

If only because the denominational organisations traditionally do not answer such questions in detail. Even the question 'about the money' is regarded by some 'affected parties' as indiscreet, shameless and obscene. In a country like Germany, where it is strictly frowned upon to ask anyone how much they earn each month – something that is, at best, shared in confidence among close friends – the churches have apparently become an integral part of this society, in which complaints about costs and burdens are voiced one-sidedly.

As we shall see, this is an argument that is understandable on the one hand, for the everyday problem facing dioceses, regional churches and, in particular, parishes is the decline in revenue from church tax and the distribution of increasingly scarce resources. On the other hand, such complaints are incomprehensible, as other sources of income, reserves and, in particular, assets are normally kept secret or only partially disclosed.

When asked about their finances and assets, the churches themselves therefore respond in a manner that gives rise to the aforementioned suspicions and insinuations.

On the Catholic side, the response to such questions is, among other things, succinctly stated: 'The Church is always a reflection of society. Germany is one of the wealthiest countries in the world,

the churches here are also 'rich'."[1] And this is immediately followed by a complaint about the high expectations placed on the churches and the associated costs.

The Protestant Church in Germany has no precise answer to this either, but it does have financial statistics that were published in 1984.

These 'financial statistics' describe our first concept: **finances** – as an overview of current income and current expenditure.

This study will focus almost exclusively on current **income**. It is thus a twofold response: on the one hand, an attempt to shed light on the 'hidden figures' regarding revenue in particular – a subject church institutions tend to keep quiet about – and, on the other hand, the fact that expenditure is (or should be) directly related to revenue and is therefore a variable that (must) be reduced accordingly when revenue falls.

Since church budgets are not (allowed to) show a profit, they are, with a few exceptions, managed according to the logic of a simple income/surplus statement, just as any small self-employed person does – which is, however, surprising in the case of the churches, if one considers the number of employees alone.

However, how much someone has in the till, so to speak, or how 'liquid' someone is, describes only the superficial aspect of the question of wealth. At its core, the question of **wealth** focuses on how much the respondent 'owns' – and that in the truest sense of the word: what property they hold and what does not 'slip through their fingers' as current income and expenditure. It is a question of capital assets, land and property ownership, shares, company holdings, etc. – everything that someone can dispose of as property or assets, but which they retain as capital and do not use for their day-to-day household expenses. Thus, it may be the case that someone is very wealthy (in terms of assets) but not 'liquid', as their assets are tied up and they are unwilling or unable to sell them.

Due to the nature of the data available, only **'gross assets'** are recorded, i.e. without taking into account debt, depreciation, etc.

The possible objection that income is a flow variable relating to a specific period, whereas wealth is a stock variable at a specific point in time, and that therefore income and wealth cannot be combined, is irrelevant to this study, as it concerns the recording of a financial volume and, in this sense, the figures reflect a reference year in each case.

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[1] Barbara Nichtweiß (ed.): *Has the Church Earned Our Money?*, Limburg, Lahn-Verlag, 1996, p. 14.

Wealth also has a political and social significance, namely the influence someone possesses, in the sense of the exercise of power or potency (literally 'influence'), and thus describes a *capability*. Often, on the basis of economic wealth, political or social wealth is also assumed, namely the ability to influence decisions or people for one's own benefit.

Although this study focuses on economic wealth, the political aspect will sometimes come into play. In this interplay between economic wealth and political power, the question "How rich are the churches?" implicitly raises the question of their 'hidden power'. As the Vicar General of the Archdiocese of Cologne is reported to have said: "Money is power. Should anyone deny this, one would have to consider whether they should be dismissed for lack of suitability and hypocrisy."[2]

But what exactly does 'church' mean?

Apart from the common use of the term 'church' to refer to a building, 'church' denotes four distinct organisations which, however, present themselves as a single unified organisation and are perceived as such.

In reality, 'the Church' is, in each instance, both distinct and at the same time one:

- *a community of faith* (Ecclesia = the congregation or group of people of the same faith),
- a *legal entity and a denominational interest group* (as a religious society with legal capacity that must meet specific formal criteria – in accordance with the provisions of civil and ecclesiastical law),
- a *tax association* (i.e. a compulsory association for the collection of 'membership fees', which has been granted its own right of taxation by the German state through the conferral of the status of a privileged 'body under public law' (K.d.ö.R.) – with the particularity that the state acts as a collection agency for the churches), and
- owner, possessor or 'usufructuary' of *economic* and commercial activities.

In public discussions, things often get confused because it is not made clear *which* church is being referred to.

When, for example, the former Archbishop of Fulda declared: 'The Church will survive even without church tax!', what he actually meant was that the Roman Catholic denomination would not founded on the basis of

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2 Hanspeter Oschwald: *Vatican – God's Company*. Munich: Piper, 2000, p. 150.

the state-subsidised tax association. In doing so, however, he overlooked the fact that 'the Church' in Germany, with the abolition of the privileged tax association, could also lose its special status as a public-law corporation and downgraded to a 'religious association', would very likely face existential problems in its current form. However, Archbishop Dyba would probably not have cared, as he was counted among the Catholic faction that would prefer a smaller, faith-filled (i.e. obedient) community to the current 'chaos' and the dissenting opinions of 'rebellious laypeople'.

A similar statement is also reported by the press officer at the Secretariat of the German Bishops' Conference, Rudolf Hammerschmidt, who assured: "The Church in Germany will survive even without church tax until the end of the world."[3]

Furthermore, the question must be asked whether the confessional community is a community at all, and what a religious society means as an organisation.

Within the Protestant Church in Germany (EKD), three different denominational communities coexist: the (dominant) Protestant Lutheran Church, but also the Protestant Reformed Church and the Church of the Union. The differences in the confessions are so marked that, for example, in Hamburg, (Lutheran) Protestant Christians from Lippe (Reformed) were only admitted as godparents with difficulty, as they belong to a different confession of faith.

Furthermore, the EKD is not *the* Protestant Church, but merely the (tolerated) umbrella organisation of the 24 independent Protestant regional churches in Germany.[4]

Within the Catholic Church, the various groups are not so clearly demarcated from one another, but, for example, the doctrinal views of the 'People's Church Movement' are closer to those of the Old Catholics than to the pronouncements of their respective diocesan bishop. (The 'Old Catholics', also a public-law corporation, separated from the Roman Catholic Church in 1870/1871, as they, among other things, do not recognise the infallibility of the Pope, have abolished celibacy and have a synodal constitution.) In line with the EKD, there is *the* Catholic Church included in the geographical breakdown, but rather 27 (arch)dioceses.

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3 Oschwald, *Vatican – God's Corporation*, p. 150.

4 The two other Protestant associations, the EKU (Protestant Church of the Union / 7 regional churches) and the VELKD (United Protestant Lutheran Church of Germany / 8 regional churches) are not dealt with separately in this study.

For the purposes of our inquiry, it is irrelevant that a diocese represents only one 'Sprengel'—that is, a sub-division—*of* the Roman Catholic confessional community worldwide. Our focus is on Germany, and as a legal entity and religious community under German law, each diocese is, just as a tax association, legally and financially independent of Rome. Thus, each diocesan administration not only has its own financial autonomy but also, for example, its own 'foreign ministers'. Accordingly, the umbrella organisation does not have a name that implies a single, unified church, such as the EKD, but is simply and accurately called: *the* German *Bishops' Conference* (with a *secretariat*).

However, the two major religious communities are not adequately described by the formal subdivision into a total of 51 regional bodies, as the further subdivision of the regional churches/dioceses comprises around 18,000 parishes in the Protestant sector and 13,300 parishes in the Catholic sector, all of which are in turn independent bodies under public law.

These 31,300 'parish bodies', 51 regional bodies and two overarching bodies constitute what is known in Germany as 'constitutional church' and of which a person belonging to one of these two denominations is, legally speaking, a member.

To ensure we do not become confused and lose our way in the various facets of church organisation, I shall use the term **'sector'** to refer to the 'church' in the general sense. Neutrally, 'sector' means 'part of a larger whole' and makes it clear that the Protestant and Catholic sectors are subsectors of the larger entity 'Christian faith', to which other sectors—such as the Orthodox, Free Evangelicals, Old Catholics, Jehovah's Witnesses, Mormons, Mennonites, Adventists, and many others, which are not, however, taken into account, as limiting the discussion to the two major sectors will already be confusing enough.

At the same time, the political association with the term 'sector' is deliberate and apt. The division of Berlin into sectors (American, Russian, English, French), together with the general categorisation of Germany as 'East' and 'West', highlights the differing legal systems, traditions, economic issues, mentalities, etc. in the respective sectors – even though they always maintained the intention of becoming whole again (ecumenism).

The German state is indifferent to how denominational communities, which operate as religious societies within the framework of civil law, organise their internal affairs, as this 'freedom' is protected by the constitution. Religious societies are therefore *not* subject to state compulsion, as tax-exempt bodies under public law, to formally separate their works and associations from the 'constitutional church', since tax exemption applies to all the churches' works and institutions. The entire Diakonisches Werk e.V. (with 88 specialist associations) in the Protestant sector, Caritas e.V., the Hilfs- und Missionswerke e.V., the Kolping Society, the religious orders in the Catholic sector, the Protestant Church Congress and the Catholic Congress, etc., nevertheless *do not* belong to the 'constitutional church'.

Given the already confusing facets of the churches, this creates a further subdivision into the 'formal church' as *a legal entity* and the 'substantive church' as *lived Christianity* in its works. In this subdivision, the 'formal church' is only a far smaller part of what the average person understands by 'church' in substantive terms. These distinctions between a wide variety of 'legal entities' in different legal forms – as a registered association, limited liability company, foundation, cooperative or investment company – are of no significance to the ordinary citizen and the denominational member, as it is the substance that matters to them, not the legal form. The formally correct argument that, for example, monks and nuns do *not* belong to the Catholic Church and the Protestant Church Congress *does not* belong to the Protestant Church will elicit nothing more than a wry smile. This is regarded as just as much a matter of hair-splitting as the question of whether Jesus was Catholic or Protestant . (Incidentally, he was neither, but of the Jewish faith.)

However, these confusing **legal entities**, which then continue to proliferate like fungi – no sooner does a new problem arise than a new legal entity emerges, and conversely, no sooner does a new legal entity emerge than a new problem arises – it follows, however, that even the church leaderships cannot themselves oversee and precisely quantify everything that happens within their regional church, let alone have any knowledge of what is happening across the entire denominational sector.

Whether the church officials themselves are unaware of this is open to question, but based on my information and many conversations, I consider this to be highly probable and accurate. Each legal entity could, if it so wished, only comment on its own sphere, as all legal entities apparently

keep their financial information tightly under wraps from every other legal entity.

However, this need not confuse us, as we, like any ordinary citizen, will regard the legal structures as formal legal formalities and view the 'Church' as it sees and presents itself: as the totality of all its associated institutions, works and organisations – and many of them have published figures or willingly provided them.

Economy within the sphere of the churches is the second aspect of this book and refers to the standard terminology used by organisations whose economic activities are limited to church bodies or employees (banks and insurance companies) or which are owned by the church without this being obvious (housing associations, commercial enterprises). Furthermore, there are commercial enterprises that have nothing to do with pastoral care or social welfare/charity but are either owned by the church or operate within the church environment (breweries, publishing houses, etc.).

However, it is precisely this area 'within the sphere of the churches' that has blurred boundaries and fluid transitions.

A. The 'constitutional' church.

B. Organisations and institutions that the churches themselves count as 'their' organisations.

C: Companies and organisations that 1. legally belong to the churches, bishops, etc. 2. are run exclusively by church officials 3. only accept organisations or employees of the churches as members.

D: Companies and organisations which, although operating within or for the area the churches, but are not linked to them legally, financially, organisationally or in terms of personnel.

To define these blurred boundaries, at least four areas must be clearly distinguished. In the churches' financial reports, area A is undisputed, B is already formally separated, C apparently does not exist at all but is unambiguously included in this study, whilst companies in area D must be examined closely and, in cases of doubt, are mentioned but not taken into account.

The definitions in the German Civil Code (BGB) will be helpful in this regard. Section 854 states: *"Possession* of a thing is acquired by the

acquisition of actual control over the thing." and in § 903: "The *owner* of a thing may, in so far as the law or the rights of third parties do not preclude it, dispose of the thing as he pleases and exclude others from any interference."

In this sense, for example, a mutual insurance society is the property of its members but is in the possession of the religious community if the supervisory board, executive board and advisory boards are composed exclusively of church officials.

This view is confirmed by a glance at the denominational directories published by both religious societies.[5] These contain not only all organisations that are formally separated from the 'constitutional church' (church assemblies, Diakonie and Caritas, mission, etc.) but also, under the heading: 'Church-affiliated associations' (Protestant) and 'Other areas of work and associations' (Catholic), all the banks, insurance companies, housing associations, travel agencies, etc. are listed, which we shall encounter in the course of this book.

The last relevant publication devoted to our topic appeared thirty years ago: Klaus Martens, *'How Rich Is the Church?'* (1969), with the subtitle: 'An Attempt at an Inventory in Germany' – a clear reservation regarding the ability to address the subject. This reservation remains – including for this study, which can likewise only describe the 'visible part' of the finances and assets and must, moreover, remain at a very high 'aggregate level', i.e. at the level of the regional churches and dioceses, the various charitable institutions and organisations, and, unfortunately, cannot normally go into the great many details that have since accumulated in my archive. It would extend the scope of this work too far.

Thus, the generalisations will always be countered by isolated, specifically different figures or regulations, but even fewer generalisations can be derived from the wealth of individual information available.

Other book titles that suggest a proper examination of the subject 'miss the mark'. Horst Herrmann's '*Die Kirche und unser Geld*' (1990) offers a relatively large amount of individual material, but is more of an angry diatribe against the Catholic Church hierarchy. Gerhard Besier's *'Konzern Kirche'* (1997) is a factual, well-documented account of the internal

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5 *Directory of the Protestant Church* and the *address book for Catholic Germany*.

Problems (almost exclusively) of the large Protestant Church as a 'people's church' and not an economic study.

Although the churches' reluctance to publicise their affairs has diminished over the past thirty years and the availability of data has improved, the process of gathering data has often involved a laborious search for, compilation and piecing together of information – as if putting together a jigsaw puzzle where the number of pieces is not yet known.

This study provides – within the limits of what is possible – a nuanced overview of the actual state of the finances and assets of the two major established churches, and of the economic sectors in which the churches, their charities and organisations are active. It follows in the tradition of the Enlightenment, which holds that the facts must first be known before one can discuss assessments.

In my view, the obstacle preventing church officials from speaking openly about church assets is not the statement "Who cares about that anyway?", but rather the fear that doing so might confirm analyses and speculations. However, the fact that this interest in transparency is certainly present among church officials is demonstrated by the request from the Episcopal Vicariate General of Osnabrück that the diocese's published leaflet 'containing the most important income and expenditure for this year [... could] also be used as a resource on church finances for religious education'.[6]

The present study is not itself 'value-free', as it operates within a framework of evaluation in which these questions alone are frequently dismissed as 'malicious' or 'biased'.

And some contradictions virtually demanded a personal commentary, which I, as a scholar committed to objectivity, could not refrain from offering. In contrast to the 'normal' economy, which proudly presents its figures whilst concealing the social problems associated with these successes, the situation in the 'church sphere' is exactly the opposite. The focus is always on care, assistance and solidarity, whilst the financial side is kept as hidden as possible.

All **figures** in this book are, however, precisely documented according to their source or reference and verifiable by any reader. Where estimates had to be made, they are, in terms of their logic, derivation

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6 http://www.kath.de/bistum/osnabrueck/4/4/4-1-6-html (Kirchenbote des Bistums Osnabrück – Kirche vor Ort – Aktuelles, January 2001)

and appropriateness are thus open to rational discussion – and therefore also subject to change.

This inevitably results, in some cases, in the curious juxtaposition of sums running into the billions, reported down to the last pfennig, and other sums of varying magnitudes, which can only be estimates. The figures focus on the years 1998 to 2001, as many statistics are only published one, two or three years after their reference year.

In accordance with the principle that every figure is substantiated and every estimate is verifiable and justified, the individual chapters of this study vary considerably. Some are detailed, backed up by figures, and analytical. Others are more descriptive, remain on the surface, and are left to further research. Some chapters are rather 'dry', others 'exciting' approaches.

I would like to thank the many people who, through their willingness to talk, their information and their suggestions, enabled me to compile much of this information.

I am particularly grateful to Gerhard Czermak, Albrecht Gach, Gerhard Rampp and Gunnar Schedel, who reviewed the finished manuscript and provided me with helpful criticism and suggestions in the form of numerous comments.

I would like to invite all interested readers not only to join the discussion, but also, if they have further data, to make it available.

C. F.

2. Church payroll and income tax

Church tax / Church tax rates / A brief history of church tax / 'Capping' of church tax / State collection / Revenue from church tax on income / Regional differentiation / Transfer payments / Unemployment and church taxes / Church members / Infant baptisms / Church attendance

Preliminary remark: On the question of church taxes collected by the state, there is a wealth of legal literature presenting a wide variety of viewpoints, as well as various rulings by the Federal Constitutional Court. In our context, these can only be mentioned in passing.

After all, one would willingly pay taxes – if one knew what they were for. But the peculiar thing about taxes is that the taxpayer does not know, nor can they determine, exactly what they are used for, because taxes are: "All levies which the state or a public body collects from its citizens or their members, either as a one-off or on an ongoing basis, in the form of monetary or in-kind payments, without any specific consideration in return."[7] "They are ongoing monetary payments that do not constitute consideration for a specific service and are imposed by a public-law community on all those to whom the circumstances apply to which the law attaches the obligation to pay, for the purpose of generating revenue."[8]

When it comes to state-imposed taxes, we do not simply comply without question and are given a whole range of tips on how to avoid paying them or at least reduce the amount. But: the Church and compulsory levies? Does this not stand in direct opposition to 'freedom of belief'?

2.1. Church tax

Even though the Church sometimes argues that the term 'tax' is merely formal and imposed by the state,[9] and that in substance it is actually a *church contribution*, the *Encyclopaedia of Theology and the Church* is very clear on this point: 'Church tax is a compulsory levy on a religious community under public law, which is generally imposed by state

[7] Reinhart Beck: *Sachwörterbuch der Politik*. Stuttgart: Kröner, 1977, p. 840.
[8] *Meyers Lexikon*, Seventh Edition, 1929, Vol. 11, p. 895
[9] e.g. Jörg Meuthen: The Suitability of Church Tax as a Source of Revenue for Religious Communities from a Financial Science Perspective, in: Wolfgang Ockenfels/Bernd Ketter: *The Church Tax Controversy*, Paderborn: Bonifatius, 1993, p. 151.

legislation by is levied by the state tax authorities on behalf of and in the name of this religious community and can be collected by way of administrative enforcement 'sovereignly' (i.e. without prior legal action). [...] It is a socially appropriate, just and theologically legitimate form of church financing."[10]

However, this church income tax collected by the state was, and remains, controversial within the churches. Hans Barion, a professor of canon law, raised concerns as early as the 1960s,
"that, under canon law, a Catholic cannot leave the Church and that it is therefore impermissible and unconstitutional for the state to present them with the alternative of either paying or leaving."[11]

The distinction between the Church as a state-mandated tax-paying body or religious organisation—from which individuals may withdraw in accordance with state-laid formalities—and the Church as a community of faith, which determines which believers are members of that community on the basis of its own internal rules,[12] thus shifts from religious profession to a state criterion.

Does the church, with such an attitude, not reduce itself to an external, compulsory community that has apparently lost its Christian creed? Accordingly, critics within the church also emphasise: 'Church membership and the obligation to pay church tax must be separated. The church baptises its members in the name of Jesus Christ, not in the name of church tax.'[13]

With regard to the tax association, the language of the conservative 'state church' (1968) states: 'If it is true that state and church are to serve humanity, and both do so by divine commission, it seems to me justified to consider that both should also reach an agreement for their service, which is different yet shared "also at the level of the law." [14] This 'common divine mission' is bureaucratically referred to as: church tax rates.

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[10] Walter Kasper (ed.): *Lexikon für Theologie und Kirche*. Freiburg: Herder, 1997, Volume 6, p. 64.

[11] Quoted from: Klaus Martens, *How Rich Is the Church?*, Munich, 1969, p. 42

[12] This distinction and its consequences are dealt with very precisely by: Isnard W. Frank:"Church Tax and the Concept of the Parish. On the History of the Origin of Church Tax", in: Wolfgang Ockenfels/Bernd Kettern (eds.): *The Church Tax Controversy*, Paderborn: Bonifatius, 1993, pp. 185–212.

[13] As stated by Rev. Dietrich Blaufuß (Erlangen) at the symposium of *the Alliance Against Church Tax Abuse*, held in November 1997 in Bremen. Quoted from: http://www.cina.de/news/news666.html

2.1.1. Church tax rates

In the federal states of Baden-Württemberg, Bavaria and Bremen, these stand at 8%; in all other federal states, 9%. Wage and income tax, considering child allowances, serves as the basis for assessment as a 'benchmark tax', i.e. church tax is a 'surcharge' on income tax.

The level of this church tax rate is a relatively autonomous decision of the churches; the percentage must only be uniform within a given federal state (political structure of the tax offices) for both the regional churches and the dioceses. According to the latest case law, this also applies within a regional church that spans several federal states.

In the Federal Republic of Germany, the historical cycle of the 'tithe' that was to be paid to the church has almost come full circle. (However, it is only a tithe of the standard tax, not ten per cent of income as in earlier times.) Whilst it was still 5 per cent in 1930, after the war (1948) it slowly rose from 6 per cent to 7 per cent (1949), reaching 8–10 per cent from 1952 onwards.

Overview 1: Historical church tax rates

Year	*Church tax rate*
1930	5% with church tax deduction
1939	4.2–4.5 and 6%
1942–1947	Approximately 3.5%
1948 (2nd half)	6%, maximum 2% of income
1949	7%, maximum 2% of income
From 1952	8–10%, up to 4% of income

Source: Klaus Martens: "How rich is the Church?" [2] 1969, p. 31.

If, for reasons of simplification, an employer opts for a flat-rate wage tax for employees on lower incomes, the employer is personally liable for church tax and pays 4.5 to 7 per cent church tax.

Under the agreements between the churches and the state, state-recognised religious communities are entitled to set a rate of up to ten per cent without having to ask the state again.

This was not always the case.

[14] Heinrich Köppler, Parliamentary State Secretary in the Federal Ministry of the Interior and former Secretary-General of the Central Committee of German Catholics, at the German Catholic Congress in 1968. Quoted from Martens, *Wie reich ist die Kirche?,* p. 40.

2.1.2. A Brief History of the Church Tax

The church tax originated in the 19th century. Even though individual dioceses regard the church tax as 'an important element of ecclesiastical freedom'[15], the official account of the Bishops' Conference is that the church tax was 'imposed' on the Church at the time.[16] Not only does this sound appalling – but is the theory of sacrifice not a fundamental element of the Christian religion? – but in this case it is simply inaccurate. Historically correct is the fact that in 1803 German territories on the left bank of the Rhine were lost to France and the princes affected received church estates on the right bank of the Rhine as compensation ('secularisation'). As compensation for these lost 'benefices' (from the income of which the clergy also derived their livelihoods), the princes who had received these former church estates were obliged to pay the priests' salaries from the state treasury. (For further details, see the chapter on *State Benefits*.)

The responsibilities of the churches grew (industrialisation, migration, the formation of new parishes that no longer had benefices) and the state was called upon to finance these responsibilities, a task with which it found it increasingly difficult to cope.

From 1873 onwards, Bismarck's "Kulturkampf" took place. Among other things, the Prussian state was no longer willing to pay the priests out of its 'own' pocket using general taxes, and "in 1875, the Church Tax Act was enacted against the Church's protests. With this law, the state freed itself from the obligations it had assumed towards the Church in 1803 and passed them on to the faithful."[17]

To put it more neutrally: "To enable the churches to fulfil their public duties, the state granted them tax sovereignty. It gave the parishes the right to levy church taxes. To ensure their collection as public levies, it made its enforcement powers available."[18]

These taxes were only permitted to be levied by the parishes themselves to meet the needs of individual parishes – which led to widely varying tax rates (ranging from zero to 25 per cent) – and this 'windfall' had – from a Catholic perspective – a serious drawback: the state-mandated establishment of *supervisory bodies* comprising informing parishioners about

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[15] As in the Diocese of Trier, in: http://www.dioezese-trier.de. Article 'Church Tax', 8/2000.

[16] Secretariat of the German Bishops' Conference: *Church Tax*, in: http://www.debk.de/stichwoerter/in_sw-steu.html, p. 1, August 1999.

[17] Secretariat of the German Bishops' Conference: *Church Tax*.

[18] Frank, Church Tax and the Concept of the Parish, in: Ockenfels/Kettern (eds.), *The Church Tax Controversy*, 1993, p. 188.

the proper collection and use of these funds. Since, according to official Catholic doctrine, the parishioners are nothing more than a body of subjects, this was a serious problem. But the Catholic Church, too, needed and wanted the money, and so a way was found to wash one's hands of the matter in the eyes of one's own faithful: one allowed 'the right to levy taxes to be dictated by the state'[19] and found legal means within the independent episcopal see to circumvent 'control from below'.

Over the years, church tax increasingly shifted away from the parishes towards the higher-level church associations.

"This centralisation and standardisation were, however, only completed after 1945. The system shifted to church income tax deduction [...], the churches relinquished their own tax authorities and transferred their responsibilities—which stemmed from a sovereign right granted to the churches by the state—back to state authorities."[20] The tax creditors were now the dioceses or regional churches. The parishes were finally 'disempowered'.

The allocation of church tax revenue to the regional churches and dioceses, which then pass on parts of it to the parishes according to specific allocation formulas, has led to the impoverishment of the parishes, which stands in strange contrast to the church tax revenue that has been rising steadily for decades. For example, the Diocese of Limburg pays 46.5 per cent of church tax revenue to the parishes, the Diocese of Speyer 41.1 per cent, the Regional Church of Baden 45 per cent and the Regional Church of Kurhessen-Waldeck 48 per cent.[21]

However, the logic of simplification in the central collection and accounting of church tax – which is, in principle, provided by church members and clergy 'on the ground' – means that church leaderships first determine what is retained for central, church-wide and global church tasks – tasks that are relatively insignificant for the parishes – and then the parishes receive the 'rest'. Thus, in the view of former Federal Minister of Finance Hans Apel, the central collection of church tax has led to a "bureaucracy detached from the people" within the (Protestant) Church. It has led to "self-righteousness and arrogance, but above all to the politicisation of church bodies", as one is "not directly affected by the discontent of church

[19] Frank, Church Tax and the Understanding of the Parish, p. 198.
[20] Frank, Church Tax and the Understanding of the Parish, p. 190.
[21] Information based on the comments or notes in the budget plans of the dioceses and regional churches.

tax payers and is thus insulated from it and punished'." [22] (However: Is it not strange for a former 'party soldier', politician and minister to make such a statement, given that this option – to refuse to pay one's taxes and thereby 'punish' politicians – does not exist at all in the political sphere?)

2.1.3. 'Capping' of the church tax

Shortly after the founding of the Federal Republic of Germany, however, the churches responded to another source of discontent and decided on a so-called capping of the church tax, i.e. a maximum rate of 3 to 4 per cent of income is applied to high earners. If the church tax payable exceeds this percentage of income, it is reduced – i.e. 'capped' – to this percentage: automatically in nine federal states, upon application in six, and not in Bavaria.

This 'discount' for high earners does not violate the principle of equality enshrined in the Basic Law, as the churches are free, within the maximum rates agreed with the state, to collect whatever they can from each of their members. (When the actor Günter Strack was once required to pay DM 73,000 in church tax despite the discount, DM 20,000 was waived following his protest.)

2.1.4. State- -collection

This church payroll tax is not deducted from the wages or salary of every religious employee by their employer and transferred to the state tax offices, but only from members of religious communities entitled to church tax.

Even a non-denominational employer cannot refuse to act as the church's 'agent' in this regard. The courts have also ruled in favour of the churches on this issue[23]– just as the entire church tax system is legally underpinned by dozens of rulings.

To participate in this state collection scheme, a religious community must be entitled to church tax, that is, it must be 'state-recognised'. In Bavaria, for example, a minimum of 25,000 members required for a religious body to participate in the state church tax collection scheme in the Free State.

Now one might think this is a collusive arrangement to keep troublesome competition at bay or to make things more difficult for them, because the unrecognised religious communities still have to go round with the

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[22] At the symposium of *the Alliance Against Church Tax Abuse* in November 1997 in Bremen. Quoted from: http://www.cina.de/news/news666.html

[23] For further details, see the chapter: *State subsidies* / Waiver of revenue.

collection plate. But these state-'unrecognised' religious communities, which are discriminated against as 'sects' by the religious market leaders, recognised early on the most significant gap in the marketing strategy of the two market leaders – the lack of certainty as to whether the believer will actually go to heaven or not – and have built their own strategy upon this: Whoever does this and that will sit at God's right hand, and whoever gives a great deal of money will sit closer to God than those who are less generous with their donations. 'Salvation' thus becomes predictable. A promise that is almost like a licence to print money. Many of these 'sects' are therefore quite happy to do without the state-approved church tax rates.

In the case of smaller Protestant denominations or 'free churches' – although one might well ask what exactly they are 'free' from? – such as the Mennonites, who, based on their faith, opt out of this state tax collection scheme, the organisation of finances lies with the congregations. The nature of the administration ('creative financial chaos') and the level of income elicit nothing but an ironic smile from members of the established Protestant church.[24] The average revenue per member of DM 300 seems 'rather meagre'[25].

The source of this kindly condescending smile remains, however, a mystery, since the Protestant regional churches, given the same willingness of their believers to pay, ought to have generated church tax revenue of around 10 billion (in 1983). Yet they collected only 5 billion (in 1983).

So what does the state collect through its collection of the surcharge tax for the two major religious communities, and how is it distributed?

2.2. Revenue from church tax on income

Since 1953, a published overview of revenue has been available for the Protestant Church in Germany (EKD). It starts at 336 million and rises steadily. By 1961, the figure had already exceeded one billion marks; by 1970, it was over two billion; in 1972, the three-billion mark was surpassed; and just two years later, revenue had already reached four billion.

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[24] Peter J. Foth: The Mennonites and their money. Following Christ in creative financial chaos, in: Wolfgang Lienemann (ed.): *The Finances of the Church*, Munich, Chr. Kaiser, 1989, pp. 797–816.

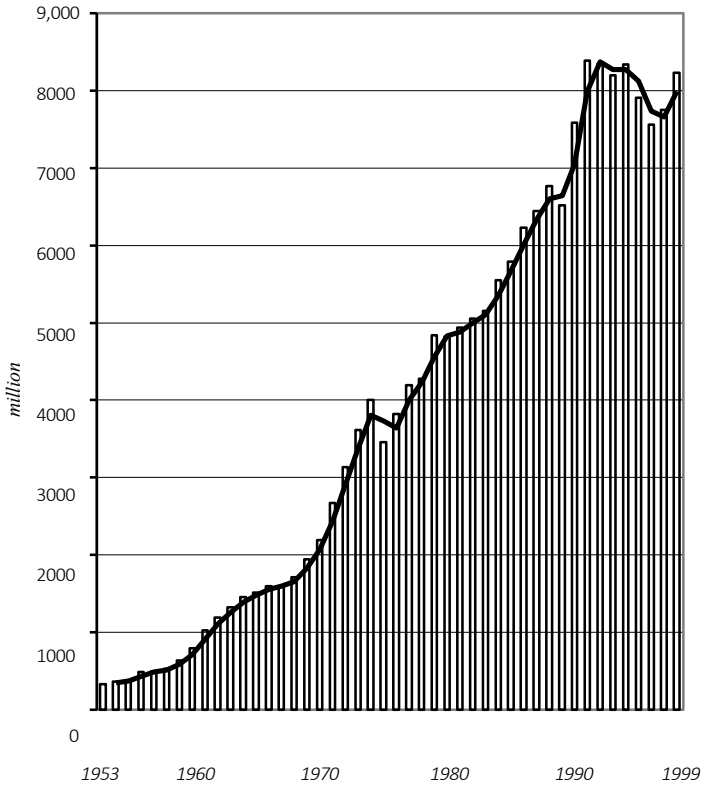
[25] Peter J. Foth: The Mennonites and Their Money, p. 801.

Overview 2: Revenue from church income tax (excluding church contributions and other church taxes) of the Protestant Church (EKD) in Germany

Year	*German marks*	*Increase in %*	*Increase in DM*
1953	336,000,000	0	----
1954	365,600,000	8.8	*29,600,000*
1955	385,800,000	5.5	*20,200,000*
1956	486,600,000	26.1	*100,800,000*
1957	500,100,000	2.8	*13,500,000*
1958	533,400,000	6.6	*33,300,000*
1959	637,200,000	19.5	*103,800,000*
1960	793,400,000	24.5	*156,200,000*
1961	1,028,400,000	29.6	*235,000,000*
1962	1,191,800,000	15.9	*163,400,000*
1963	1,321,600,000	10.9	*129,800,000*
1964	1,454,200,000	10.0	*132,600,000*
1965	1,513,300,000	4.1	*59,100,000*
1966	1,600,500,000	5.8	*87,200,000*
1967	1,601,200,000	0.0	*700,000*
1968	1,717,700,000	7.3	*116,500,000*
1969	1,946,800,000	13.3	*229,100,000*
1970	2,194,800,000	12.7	*248,000,000*
1971	2,676,700,000	21.9	*481,900,000*
1972	3,134,700,000	17.1	*458,000,000*
1973	3,618,900,000	15.5	*484,200,000*
1974	4,000,100,000	10.5	*381,200,000*
1975	3,456,900,000	– 13.6	*– 543,200,000*
1976	3,818,700,000	10.5	*361,800,000*
1977	4,193,000,000	9.8	*374,300,000*
1978	4,280,800,000	2.1	*87,800,000*
1979	4,428,000,000	3.4	*147,200,000*
1980	4,840,500,000	9.3	*412,500,000*
1981	4,819,200,000	– 0.4	*– 21,300,000*
1982	4,941,700,000	2.5	*122,500,000*
1983	5,050,100,000	2.2	*108,400,000*
1984	5,157,000,000	2.1	*106,900,000*
1985	5,549,200,000	7.6	*392,200,000*
1986	5,792,000,000	4.4	*242,800,000*
1987	6,226,863,000	7.5	*434,863,000*
1988	6,440,444,000	3.4	*213,581,000*
1989	6,763,273,000	5.0	*322,829,000*
1990	6,516,235,000	– 3.7	*– 247,038,000*
1991	7,583,969,000	16.4	*1,067,734,000*
1992	8,388,410,000	10.6	*804,441,000*
1993	8,346,250,000	– 0.5	*42,160,000*
1994	8,196,448,000	– 1.8	*– 149,802,000*
1995	8,340,573,000	1.8	*144,125,000*
1996	7,903,548,000	– 5.2	*– 437,025,000*
1997	7,563,986,000	– 4.3	*– 339,562,000*
1998	7,752,452,000	2.5	*188,466,000*
1999	8,226,589,000	6.1	*474,137,000*

Sources: (1953–1986) Hans Peter Bareis: 'Development and Determining Factors of Church Tax. Revenues of the Member Churches of the EKD', in: Wolfgang Lienemann (ed.) 'Die Finanzen der Kirche', Munich, 1989, pp. 33–108.
1987–1998: Statistical Yearbook of the Federal Republic of Germany.
1953–1990 'former Federal Territory', from 1991 'Germany'

Diagram 1:
EKD – Church payroll tax revenue 1953 to 1999



Year on year, ever-increasing, almost dreamlike rises in revenue. The 'downturn' in 1975/1976 can be explained by two factors: firstly, a tax reform (child allowances) and, secondly, a change in the tax rate. In 1992, the 'peak' was reached with annual revenue of 8.4 billion. And unlike industrial companies, which would have had to expand their market, increase their productivity or broaden their product range to achieve these revenue increases, the denominational tax associations did not need to do any of this.

And this even though the paying clientele was shrinking. It is the achievement of working people, commercial enterprises and trade unions (the collective bargaining parties) and that of the state. The churches' tax associations received and continue to receive the proceeds of the 'economic miracle' and the 'wage struggles' automatically channelled into their coffers as a surcharge tax, aided by the state's progressive tax system (whereby higher incomes are taxed at a higher rate).

However, not even these official figures can be relied upon. A comparison of the figures in the Statistical Yearbooks with the data provided by the EKD's tax officer yields the surprising result that, for 1997, the Protestant tax officer under-reports Protestant tax revenue by 257 million marks, whilst over-reporting Catholic revenue by 264 million marks.[26]

The basis for this appears to be the fact that there are three different figures for church tax revenue: firstly, the gross target figure; secondly, the expected or estimated gross revenue; and thirdly, the actual net revenue.[27] But let us stick to the figures in the Statistical Yearbooks, as they at least follow the same logic.

And there were some truly 'fat' years – 1971, 1972, 1973, 1976, 1977, 1985 – when more than one million marks extra flowed into the coffers every single day of the year – for both denominational tax associations. (Although this overview currently only includes the Protestant Church in Germany, it generates roughly the same amount as the Catholic sector.)

But times are changing: in 1997, the Protestant Church had only the same revenue as in 1991, and in 1995/1996 saw dramatic real declines in revenue, just as dramatic as the previous gains – more than a million per day in the year. And that was just the EKD.

The combined figures for both sectors show an impressive church tax revenue. In 1992, the best year, the figure was 17.2 billion; in 1997, it was still 15.7 billion.

Due to falling tax revenues from 1993 onwards, all regional churches and dioceses prepared for austerity, cut jobs wherever possible, and demanded the forgoing of Christmas bonuses and additional gratuities reduced the allocations to the parishes and increased their reserves for leaner times.

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[26] EKD text: *'Die Kirchensteuer'* by Jens Petersen, tax officer at the EKD Church Office, Hanover 2000, Table 6.1. See: http://www.ekd.de and 'Texte' there.

[27] Cf. Protestant Regional Church in Württemberg: *Annual Report 2000. The Church. More than one might think*, p. 66.

Overview 3: Total church payroll tax revenue of the Protestant Church (EKD) and the Catholic dioceses in Germany

Year	*Church tax DM*	*Increase in %*	*National income (DM)*	*Increase in %*
1968	3,080,996,000	0	418,000,000,000	0
1970	4,069,130,000	32.1	530,400,000,000	2.7
1977	8,023,031,000	97.2	933,700,000,000	76.0
1984	10,267,145,000	28.0	1,347,100,000,000	44.5
1989	13,871,496,000	35.1	1,738,100,000,000	29.2
1990	13,306,320,000	−4.1	1,892,200,000,000	8.9
1991	15,469,682,000	16.3	2,227,400,000,000	8.0
1992	17,156,753,000	10.9	2,373,800,000,000	6.6
1993	17,041,995,000	−0.7	2,400,500,000,000	1.1
1994	16,690,802,000	−2.1	2,510,000,000,000	4.6
1995	16,785,132,000	0.6	2,615,000,000,000	4.2
1996	16,661,631,000	−1.0	2,674,200,000,000	2.3
1997	15,699,032,000	−5.5	2,746,700,000,000	2.7
1998	15,627,866,000	−0.5	2,823,200,000,000	2.8
1999	16,598,069,000	6.2	2,863,300,000,000	1.4

Sources: Statistical Yearbooks of the Federal Republic of Germany. from 1991: 'Germany'. The growth rates of national income are based on the same territorial area

In 2000, they suddenly found themselves in a position where they had to explain themselves to staff and congregations: Revenue from church tax in 1999 was (primarily due to the expiry of tax-reducing special depreciation allowances) 984 million marks higher for both churches combined than in 1998, i.e. for every day of 1999, 2.7 million more came into the coffers than in 1998.

2.2.1. Regional differentiation

However, this summary says nothing about the significant differences between the individual regional churches/dioceses. A regional breakdown (comparison of the years 1996/1998/1999) highlights the diversity of the financial situation. What is striking here is:

The distribution within the Protestant regional churches is characterised more by 'high' and 'low' figures than is the case with the Catholic dioceses:

- The five regional churches with the highest income account for 56 per cent of total revenue into their coffers, whilst the five 'richest' dioceses hold

only 43 per cent of the Catholic revenue in their coffers.

This demonstrates that the Protestant regional churches (in part still) bear the distinctive features of their origins – as the regional church of a small principality within the 'patchwork quilt' of German small-state politics.

Overview 4: Church tax revenue (church tax on income and church contributions) of the Catholic (arch)dioceses (1996 / 1998 / 1999)

(Arch)diocese	*(1996) TDM*	*(1998) TDM*	*% '96–'98*	*(1999) TDM*	*% '98 – '99*
Cologne	926,807	902,449	*- 2.6*	967,630	*+ 7.2*
Munich-Freising	712,418	706,986	*- 0.8*	718,338	*+ 1.6*
Rottenburg-Stuttgart	637,882	679,950	*+ 6.6*	679,445	*- 0.1*
Freiburg	640,228	623,498	*- 2.6*	680,877	*+ 9.2*
Münster	587,633	621,187	*+ 5.7*	669,703	*+ 7.8*
Paderborn	555,730	565,372	*+ 1.7*	608,188	*+ 7.6*
Trier	431,477	428,313	*- 0.7*	453,301	*+ 5.8*
Aachen	408,872	400,838	*- 0.2*	427,889	*+ 6.7*
Augsburg	388,826	388,304	*- 0.1*	415,856	*+ 7.1*
Essen	338,250	329,759	*- 2.5*	354,389	*+ 7.5*
Mainz	315,457	304,944	*- 3.3*	324,652	*+ 6.5*
Limburg	290,955	287,262	*- 1.3*	318,615	*+ 10.9*
Regensburg	280,402	286,276	*+ 2.1*	309,837	*+ 8.2*
Würzburg	233,654	235,135	*+ 0.7*	234,612	*- 0.2*
Bamberg	222,448	224,711	*+ 1.0*	238,953	*+ 6.3*
Speyer	198,353	193,058	*- 2.7*	202,884	*+ 5.1*
Hildesheim	184,778	184,545	*- 0.1*	191,428	*+ 3.7*
Osnabrück	130,858	133,440	*+ 2.0*	137,944	*+ 3.4*
Fulda	126,949	125,326	*- 1.3*	154,727	*+ 23.5*
Eichstätt	118,640	114,399	*- 3.6*	123,816	*+ 8.2*
Hamburg	112,482	116,815	*+ 3.9*	109,792	*- 5.9*
Berlin	109,498	118,748	*+ 8.5*	130,748	*+ 10.1*
Passau	103,727	103,268	*- 0.4*	114,446	*+ 10.8*
Dresden / Meissen	32,727	33,633	*+ 2.8*	35,544	*+ 5.7*
Erfurt	21,616	20,745	*- 4.0*	23,580	*+ 13.7*
Magdeburg	18,538	17,979	*- 3.0*	18,156	*+ 1.0*
Görlitz	6,908	6,571	*- 4.9*	6,990	*+ 6.4*
Total	*8,136,113*	*8,153,511*	*+ 0.2*	*8,660,479*	*+ 6.2*

Sources: Statistical Yearbooks 1997, 1999 and 2000 based on data from the Association of German Dioceses, Münster. / Percentages calculated by the author

Overview 5: Total church tax revenue of the Protestant Regional Churches (1996 / 1998 / 1999

Regional Church	*(1996) TDM*	*(1998) TDM*	*% '96–'98*	*(1999) TDM*	*% '98–'99*
Rhineland	1,092,614	1,127,857	*+ 3.2*	1,147,071	*+ 1.7*
Westphalia	862,589	854,911	*- 0.9*	913,092	*+ 6.8*
Bavaria	837,252	836,731	*- 0.6*	885,254	*+ 5.8*
Hanover	818,902	831,729	*+ 1.6*	851,845	*+ 2.4*
Württemberg	837,322	896,940	*+ 7.1*	938,203	*+ 4.6*

Hesse and Nassau	719,855	733,710	*+ 1.9*	762,447	*+ 3.9*
Northern Elbe	680,570	593,965	*- 12.7*	691,536	*+ 16.4*
Baden	420,532	404,325	*- 3.9*	424,100	*+ 4.9*
Berlin-Brandenburg.	398,085	300,287	*- 24.6*	374,458	*+ 24.7*
Kurhessen-Waldeck	275,090	263,655	*- 4.2*	294,694	*+ 11.8*
Palatinate	199,171	183,884	*- 7.3*	188,556	*+ 2.5*
Saxony	141,353	126,868	*- 10.3*	134,868	*+ 6.3*
Braunschweig	140,243	142,198	*+ 1.4*	136,767	*- 3.8*
Oldenburg	112,619	115,541	*+ 2.6*	117,375	*+ 1.6*
Church Province of Saxony	70,665	61,078	*- 13.6*	63,620	*+ 4.2*
Lippe	64,815	66,096	*+ 2.0*	67,305	*+ 1.8*
Thuringia	59,941	48,581	*- 19.0*	50,825	*+ 4.6*
Bremen	55,546	61,173	*+ 10.1*	76,832	*+ 25.4*
Reformed Church	47,990	48,555	*+ 1.2*	49,657	*+ 2.3*
Mecklenburg	39,729	34,189	*- 13.9*	33,663	*- 1.5*
(Military Chaplaincy)	22,650	23,055	*+ 1.8*	25,728	*+ 11.6*
Schaumburg-Lippe	16,618	16,810	*+ 1.2*	17,220	*+ 2.4*
Pomerania	12,000	9,035	*- 24.7*	11,269	*+ 24.7*
Upper Lusatia	9,466	8,569	*- 9.5*	8,912	*+ 4.0*
Anhalt	9,591	7,931	*- 17.3*	8,018	*+ 2.2*
*Total *)*	*7,945,217*	*7,797,672*	*- 1.9*	*8,275,313*	*+ 6.1*

Sources: Statistical Yearbooks 1997, 1999 and 2000 based on data from the Protestant Church in Germany (EKD) / Percentages calculated by the author.

**) All church taxes, including military chaplaincy (soldiers' church income tax)*

- Of the 24 regional churches, 10 still have church tax revenues of less than 100 million marks, whilst of the 27 dioceses, only 4 are among the 'low earners'.

The changes between 1996 and 1998 are more pronounced in the Protestant regional churches than in the more stable dioceses. Whilst church tax revenue is falling by double-digit percentages for 8 regional churches – Pomerania (-24.7%), Berlin-Brandenburg (-24.6%), Thuringia (-19%), Anhalt (-17.3%), Mecklenburg (-13.9%), Kirchenprovinz Saxony (-13.6%), North Elbe (-12.7%) and Saxony (-10.3%) – the figures for the dioceses all remain in single figures.

- Not only is the Archdiocese of Cologne and remains (as we all already) the 'richest' diocese with DM 902 million in church tax revenue, but the Regional Church of the Rhineland is also the 'richest' Protestant regional church with 1.1 billion in revenue.
- The lowest church tax revenue for both churches is found in the church provinces of 'Upper Lusatia' around Görlitz and Anhalt around Magdeburg.
- Among the East German Protestant churches, all seven regional churches recorded a decline in revenue, whilst only three of the five Catholic dioceses in the East showed a decline.

- From 1998 to 1999, revenue rose significantly again in the regional churches and dioceses (except for two in each case). However, whilst in the Catholic sector only two dioceses remained below their 1996 income levels (Hamburg and Magdeburg), in the Protestant sector *all* East German regional churches and two in the West (Braunschweig and the Palatinate) remained below their 1996 income levels.

2.2.2. Transfer payments

In addition to the state transfer payments to the eastern German federal states, there are corresponding payments within the two denominational sectors, though not without "fierce wrangling over the level of the equalisation fund",[28] For example, the figures for the EKD, whose transfer payments amounted to 350 million marks (in 1996).

Table 6: EKD Financial Equalisation 1996

Member church	*Donor churches*	*Recipient churches*
Anhalt		7,500,919
Baden	19,891,436	
Bavaria	39,262,505	
East Berlin		50,408,826
West Berlin	14,392,271	
Braunschweig	6,249,223	70,000
Bremen	2,896,161	
Hanover	31,491,394	
Hesse / Nassau	36,889,621	
Church Province of Saxony		57,521,170
Kurhessen-Waldeck	13,113,399	93,333
Lippe	3,082,365	
Mecklenburg	24,236,027	
North Elbe	28,775,624	
Upper Lusatia		7,568,056
Oldenburg	3,879,479	
Palatinate	9,453,618	
Pomerania		16,401,920
Reformed Church	1,914,064	
Rhineland	53,946,860	
Saxony		113,909,380
Schaumburg-Lippe	628,963	
Thuringia		63,878,702
Westphalia	38,552,402	
Württemberg	45,580,675	
EKU		3,745,000
(Herrnhut)		3,010,000
Total	*350,000,000*	*350,000,000*

[28] Gerhard Besier: *The Church as a Corporation. The Gospel and the Power of Money*. Neuhausen-Stuttgart: Hännsler, 1997, p. 45.

The fact that the West German regional churches of Brunswick and Kurhessen-Waldeck are also among the recipient churches is because these regional churches acquired East German territories following reunification – and for this they 'naturally' want compensation.

Following the decline in revenue from church tax, these transfer payments have been steadily reduced in recent years. Take, for example, the Diocese of Erfurt: "Due to the austerity measures implemented by the western donor dioceses, the solidarity grants (special levy for the East) were reduced by 7.5% in 1997 and by a further 2.4% in 1998."[29] Similarly, the volume of the EKD financial equalisation fund has been reduced from DM 350 million (in 1996) to 300 million (in 2000). These points should suffice to illustrate that the financial situation varies greatly for the individual regional churches/dioceses.

The differences in church tax revenue can be explained in greater detail from various perspectives – the size and population of the ecclesiastical province, the proportion of denominations within the population, the age structure and income distribution within the ecclesiastical provinces, changes in migration, people leaving the church, the economic climate, etc. – one factor affects all provinces and the East German ones in particular: unemployment.

2.3. Unemployment and church income tax

One 'misconception' that the churches repeatedly must defend themselves against is the claim that the unemployed must also pay church income tax (according to the Catholic church critic Horst Herrmann[30]). "The answer is a clear NO. No unemployed person pays church tax in any form."[31]

On the one hand, this 'outcry' is justified, as the churches do not in fact receive any money from the job centres; on the other hand, however, this 'indignation' is not entirely justified, as the job centres do take into account all deductions that 'normally apply' when calculating unemployment benefit, i.e. including church payroll tax – and now, a nasty surprise -, even if the unemployed person does not belong to any religious community.

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[29] http://www.kath.de/bistum/erfurt, press release dated 10 December 1997.

[30] Horst Herrmann: *The Caritas Legend. How the Churches Market Charity*, Hamburg: Rasch & Röhring, 1993, p. 127.

[31] Protestant Church in Berlin-Brandenburg: *What you should know about church tax*, in: http://www.ekibb.com/info/steuer/index.htm (July 1999, p. 1); capitalisation as in the original.

[32] *Employment Promotion Act,* Section 11(2), second sentence, no. 2

A non-denominational woman had brought a legal action against the fact that this 'fictitious' church tax had been deducted from her unemployment benefit and demanded its payment. The matter eventually reached the Federal Constitutional Court, and in 1994 Germany's highest court upheld the Federal Employment Agency's practice that church income tax may be 'fictitiously' deducted from the unemployment benefit, short-time working allowance, bad-weather allowance and the amount of the transitional old-age allowance in the new federal states, even for those without religious affiliation. The following is an excerpt from the grounds for the judgment:

'The consequence deemed necessary by the referring court, namely that unemployed persons who do not belong to a church would receive higher unemployment benefits under the current net wage system, without the additional benefit being justifiable on the grounds of increased need, or that an amount corresponding to the additional burden should be paid by unemployed persons belonging to a church to the church to which they pay tax. It is likely to meet with general incomprehension, because the additional benefit paid to unemployed persons who do not belong to a church must be perceived as a bonus from the unemployment insurance scheme for staying away from the church. It need not be determined whether the structure of the unemployment insurance scheme would be consistent with the state's ideological and religious neutrality. In any case, the provision is justified by the aim of avoiding the impression that the granting of higher unemployment benefits influences employees' decisions as to whether they wish to belong to a church."[33]

The Federal Employment Agency had argued that, in the event of non-deduction – which would apply to 15 per cent of the unemployed – a weekly unemployment benefit two per cent higher would have to be paid: based on 1985 figures, this would amount to additional expenditure for the Federal Employment Agency totalling DM 56.5 million.[34]

However, the non-denominational unemployed may not care whether this deduction is merely 'notional', as the churches do not receive the money; for them, as those affected, the deduction is a reality.

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[33] Decision of the Federal Constitutional Court of 23 March 1994 (1 BvL 8/85), p. 13. I am indebted to the *International Federation of Non-Denominationalists and Atheists* (IBKA) e.V. for this reference, available at: http://www.ibka.org/Artikel/miz94/arbeitslose.html

[34] Decision of the Federal Constitutional Court of 23 March 1994 (1 BvL 8/85), p. 7.

2.4. Church members

The decline in revenue from church payroll tax had already been evident since 1990 and was merely masked by the 'reunification gains'. (Whether the increase for 1999 signifies a 'turnaround' remains to be seen.) This time, the blame does not lie with the 'evil' state, which, with its tax policy, is said to think only of its own pockets and 'disadvantages' the churches, but rather with a process of erosion within the churches themselves, which is concealed in the overall figures.

Whereas in 1968 the ratio between the Protestant regional churches and the Catholic dioceses was still 56 to 44 per cent in terms of church payroll tax revenue, this Protestant lead was levelled out by 1989 (even before reunification) and since then the Catholic dioceses have had the higher revenues. The ratio for 1996 was 48 to 52, and for 1999 it was still 49 to 51 in favour of the Catholics. In terms of church payroll tax revenue for 1999: The Protestant regional churches (EKD) collected 8.3 billion (DM 8,275,313,000), whereas the Catholic dioceses collected 8.7 billion (DM 8,660,479,000). A surplus of 385 million for the Catholic sector.

Overview 7: Church members) in the two major official churches in Germany*

Year	*Protestant*	*Difference*	*Catholics*	*Difference*
1957	26,650,000	*0*	24,973,000	*0*
1970	28,480,000	*+ 1,830,000*	27,195,000	*+ 2,222,000*
1980	26,104,000	*– 2,376,000*	26,713,000	*– 482,000*
1981	25,898,000	*– 206,000*	26,707,000	*– 6,000*
1982	25,701,000	*– 197,000*	26,606,000	*– 101,000*
1983	25,501,000	*– 200,000*	26,491,000	*– 115,000*
1984	25,316,000	*– 185,000*	26,395,000	*– 96,000*
1985	25,106,000	*– 210,000*	26,307,000	*– 88,000*
1986	24,910,000	*– 196,000*	26,284,000	*– 23,000*
1987	25,413,000	*+ 503,000*	26,306,000	*+ 22,000*
1988	25,176,000	*– 237,000*	26,483,000	*+ 177,000*
1989	25,132,000	*– 44,000*	26,746,000	*+ 263,000*
1990	29,442,000	*+ 4,310,000*	28,252,000	*+ 1,506,000*
1991	29,202,000	*– 240,000*	27,718,000	*– 534,000*
1992	28,875,000	*– 327,000*	27,663,000	*– 55,000*
1993	28,460,000	*– 415,000*	27,552,000	*– 111,000*
1994	28,197,000	*– 263,000*	27,465,000	*– 87,000*
1995	27,922,000	*– 205,000*	27,347,000	*– 118,000*
1996	27,659,000	*– 333,000*	27,168,000	*– 179,000*
1997	27,398,000	*– 261,000*	27,020,000	*– 148,000*
1998	27,099,000	*– 299,000*	26,794,000	*– 226,000*
1999	26,848,000	*– 251,000*	26,659,000	*– 135,000*

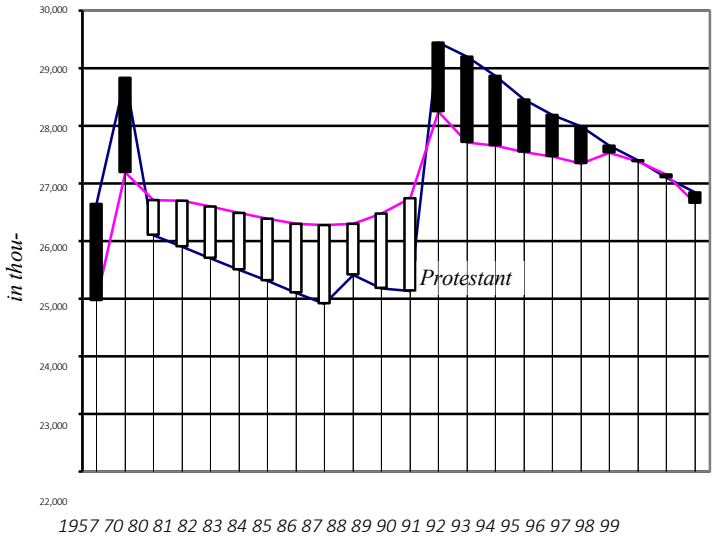
Sources: Statistical Yearbooks of the Federal Republic of Germany, the Statistics Department of the German Bishops' Conference and the Church Office of the EKD.
Up to and including 1989: 'former Federal Republic'

**) The figures vary by up to 300,000 members depending on the source and can therefore only indicate the general trend, as they are merely*

"updated". This probably also explains the surprising increase for the Protestant Church in 1987, the specific figures for which are based on the last census, although double-counting in cases of multiple residences or the partial inclusion of Protestant free churches cannot be ruled out.

By the early 1980s, the Catholic dioceses had more members than the Protestant regional churches, meaning that there have been more Catholics in West Germany than Protestants ever since. Even the disproportionate gain in Protestant numbers following reunification (the German 'East' is predominantly – if at all – Protestant) is steadily declining and melting away like religious butter in the indifferent sun.

Diagram 2: Church members 1957 to 1999



The fact that in 1957 there were still around 1.5 million more West Germans who were members of the Protestant Church had, by 1980 to 1989, turned almost exactly the other way round: there were around 1.5 million more Roman Catholic than Protestant church members.

The fact that the Protestant regional churches were nevertheless able to record higher revenues for many years was due, amongst other things, to two reasons: firstly, Protestant Christians earn higher incomes on average than Roman Catholics, and secondly, Catholics still have more children.

This places the dioceses in a (typically) Catholic dilemma of values between a community of faith and a tax-funding body: On the one hand, ordinary Catholics are not permitted to use contraceptives, are not allowed to have abortions, and are expected to think exclusively of the procreation of a child during sexual intercourse – on the other hand (though this was, of course, the state's doing – specifically an SPD federal government), the rate of income tax, i.e. the standard tax, reduced by the child allowances as a socio-political measure, and Catholics with many children therefore pay less income tax and, accordingly, less church tax.

Whilst in the Catholic sector the membership (through births, resettlers, converts, foreigners and 'returnees') remained relatively stable from 1980 to 1989, the Protestant sector lost one million (or four per cent) of its members over the same ten-year period. For 'adjusted' church leavers—that is, those leaving the church minus new admissions and re-admissions—different trends emerge.

Table 8: Church leavers from the Protestant and Catholic Churches

Year	*Protestant Church in Germany (EKD)*			
	Admissions	*Resignations*		*Net*
1957	33,756	28,864	+	4,892
1961	36,517	30,568	+	5,949
1966	31,517	38,213	–	6,696
1969	21,097	108,844	–	87,747
1976	20,442	128,394	–	107,952
1995	57,502	296,782	–	239,280
1996	58,779	225,602	–	166,823
1997	61,522	196,620	–	135,098
1998	61,528	182,730	–	121,202
1999	24,000	191,072	–	167,072

Year	*Roman Catholic Church*			
	Conversions	*Re-entry*	*Leavers*	*Net*
1957	13,251	6,106	20,371	– 1,014
1961	14,279	5,576	23,285	– 3,430
1966	9,646	3,407	22,043	– 8,990
1969	5,283	2,025	38,712	– 31,404
1976	3,500	2,298	69,370	– 63,572
1995	3,797	6,344	168,244	– 158,103
1996	3,860	6,981	133,275	– 122,434
1997	4,105	7,450	123,813	– 112,348
1998	4,078	7,867	119,265	– 107,320
1999	8,432	4,066	131,225	– 118,727

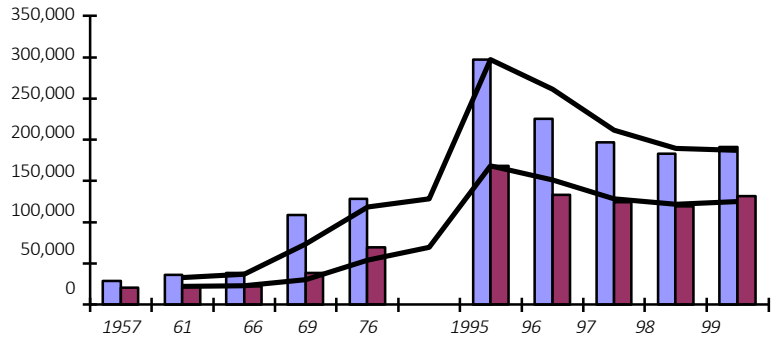
Source: Statistical Yearbooks. (1999: Bishops' Conference and EKD, provisional figures)

Whilst the EKD still had a net increase in membership up until the construction of the Berlin Wall in 1961, a 'wave of departures' became apparent in the mid-1960s: the number of people leaving the church rose and remained in the region of over one hundred thousand a year (i.e. more than four hundred per working day). Although the Catholic Church (excluding immigrants) also has a growing net loss, it was only half as affected by the wave of church departures.

The high numbers of departures in the 1990s point to unresolved issues in eastern Germany.

The 'unadjusted' church departures show – albeit at varying levels – a striking parallelism.

Diagram 3: Church leavers: Protestant/Catholic



However, people leaving the church is only one side of the pincer movement in which both established churches find themselves. The other side of the pincer is the rapidly declining proportion of members of the two established churches relative to the total population.

Table 9: Total population of the Federal Republic of Germany and members of the two major established churches.

Year	*Population*	*Church members*	*%*
1950	49,842,600	47,747,200	95.8
1961	56,174,800	53,511,700	95.3
1970	60,650,600	56,757,300	93.6
1980	61,538,000	52,817,000	85.8
1987	61,077,042	51,735,576	84.5
1989	62,063,000	51,878,000	83.6
1991	79,984,000	56,920,000	71.2

1996	81,896,000	55,192,000	67.4
1997	82,052,000	54,781,000	66.8
1998	82,029,000	54,253,000	66.1
1999	82,163,500	53,507,000	65.1

Source: Statistical Yearbooks and information from the Bishops' Conference and the EKD (1950, 1961, 1970, 1987; basis = censuses)

Whilst in 1950 and even as late as 1970 it was possible to say that 'virtually all' (West) Germans were members of one of the two major churches, this proportion has fallen steadily since then and currently stands at just two-thirds, with a continuing downward trend.

This trend was already clear in the former West Germany and cannot be attributed solely to the 'non-religious' population of the eastern German states – it has only intensified because of German 'reunification'. Differences in regional religious affiliation were also present in the former West Germany.

Table 10: Population and religious affiliation/federal states. Percentage share of denominations in the population (1987)

Federal state	*Protestant*	*Catholic*	*Total*	*None/Other*
Saarland	21.7	72.7	*94.4*	2.5
Rhineland-Palatinate	37.2	54.5	*91.7*	4.1
Bavaria	23.9	67.2	*91.2*	4.5
Baden-Württemberg	40.7	45.3	*86.0*	5.7
Lower Saxony	65.2	19.6	*84.8*	9.4
North Rhine-Westphalia	35.2	49.4	*84.6*	6.6
Hesse	51.7	30.4	*82.1*	9.0
Schleswig-Holstein	73.3	6.2	*79.5*	14.8
Bremen	61.0	10.0	*71.0*	15.0
Berlin (West)	48.3	12.8	*61.1*	25.9
Hamburg	50.3	8.6	*58.9*	27.3
Germany	*41.6*	*42.9*	*84.5*	*8.0*

Source: (Last) census 1987, Federal Republic of Germany, in: Statistical Yearbook 1999, p. 61 (The differences in the totals when added up to 100 per cent represent members of other denominations.

The figures from the last (West German) census (1987) show a range across the federal states from 59 per cent of the population belonging to a denomination in Hamburg to 94 per cent in Saarland. It was not 'the Bavarians' who were the 'most devout' at the time, but the people of Saarland and Rhineland-Palatinate.

Overall, a north-south distribution becomes clear (the north is less connected to the churches) as well as the influence of urban-rural orientation. City dwellers are the 'church-distant' – as the old saying went: 'City air sets you free'.

If it were only these two factors – people leaving the church and urbanisation – the financial directors of the denominational tax associations would have little cause for concern. However, it is not only the number of paying members that is declining; there is also no end in sight to high unemployment, and more and more church members are reaching retirement age – meaning that the number of people liable for income tax (proportional tax) is falling, and consequently the number of contributors to the church payroll tax is dwindling.

Moreover, church members are also 'ageing' in other respects. It is not just the demographic trend of falling birth rates; the proportion of baptised children is also declining, and these are the future church taxpayers. A fact that will only become financially apparent in the coming decades.

2.5. Child baptisms / church-led weddings

Whilst around 93 per cent of newborns were baptised in the early 1960s, the proportion of baptised children among the already declining birth figures has now fallen to 63 per cent.

Overview 11: Child baptisms in the Federal Republic of Germany

	Child baptisms		*Baptisms*	*Births*)*	
Year	*Protestant*	*Catholic*	*Total*	*Total*	*%*
1961	442,400	494,900	*937,300*	1,012,687	*92.6*
1964	483,300	513,500	*996,800*	1,065,437	*93.6*
1966	475,843	500,200	*976,043*	1,050,129	*92.9*
1970	345,994	369,852	*715,846*	1,047,737	*68.3*
1976	217,249	249,821	*467,070*	602,851	*77.5*
1980	221,982	257,584	*479,566*	620,657	*77.3*
1986	231,535	264,752	*496,287*	625,963	*79.3*
1991	299,228	299,504	*598,732*	830,019	*72.1*
1994	265,141	269,025	*534,166*	769,603	*69.4*
1996	254,076	259,313	*513,389*	796,013	*64.5*
1997	255,646	262,891	*518,537*	812,173	*63.9*
1998	247,444	248,014	*495,458*	785,034	*63.1*

*Sources: Statistical Yearbooks of the Federal Republic of Germany. *) Live births*

In addition, the number of church weddings has also fallen by more than half over the past thirty years (in both absolute and relative terms).

Whilst the proportion of church weddings in 1966 – relative to all marriages in West Germany – still stood at 78 per cent, by 1998 it had fallen to 34 per cent of the simultaneously declining actual number of marriages across the whole of Germany.

Overview 12: Church weddings / marriages

	Church weddings			*Marriages*	
Year	*Protestant*	*Catholic*	*Total*		*%*
1961	205,900	217,500	*423,400*	529,901	*79.9*
1964	202,400	204,600	*407,000*	506,182	*80.4*
1966	190,900	188,900	*379,800*	484,525	*78.4*
1976	99,359	135,069	*234,428*	365,728	*64.1*
1986	93,800	110,470	*204,270*	372,112	*54.9*
1996	81,626	79,453	*161,169*	427,297	*37.7*
1997	76,781	73,781	*150,562*	422,776	*35.6*
1998	73,763	69,032	*142,795*	417,420	*34.2*

Source: Statistical Yearbooks of the Federal Republic of Germany.

The consolation: children can still be baptised later, and even parents who did not marry in church can ultimately raise their children as Christians, so that they may later become members of the established church – it is based on the principle of hope.

Demographic trends alone mean that the Church "lose around twenty per cent of its members and thus its income by 2030."[35] This would mean that the proportion of church members would come very close to the 50 per cent mark and possibly fall below it, i.e. church members will become a minority in terms of their share of the population.

2.6. Trends in church tax revenue

Only two factors – the reduction in unemployment and collective wage agreements – will have a positive impact on revenue from church payroll tax.
All other factors will reduce revenue. It would therefore be only logical for the churches to join forces with the trade unions, as only they can campaign for higher wages = more income tax = more church tax.

On 9 February 2000, a high-level meeting had already taken place between the EKD, the Bishops' Conference and the DGB Federal Executive (the specific occasion: protection of Sundays, shop closing laws), at which it was agreed to remain in dialogue and to form joint working groups.[36]

[35] According to the Protestant Regional Church of Baden, cited in: *Stern* No. 8, 17 February 2000 ("Part-time pastor").

Overview 13: Trends in church tax revenue

Aspect	*Trend*	*Church tax.*
Population	⇓	⇓
Church members	⇓	⇓
Unemployment	⇓	⇑
Recipients of social security benefits	⇑	⇓
Number of pensioners	⇑	⇓
Number of births	⇓	⇓
People leaving the church	⇑	⇓
Number of baptisms	⇓	⇓
Tax reform / Tax burden	⇓	⇓
Collective wage agreements	⇑	⇑

2.7. Church attendance

Yet it is not only the 'hedonistic society' (people leaving the Church, materialism, birth rates, etc.) or the state (tax reform, social policy) that are causing all this – another trend points to a serious problem within the Church itself: the steadily declining number of churchgoers.

Overview 14: Church attendance

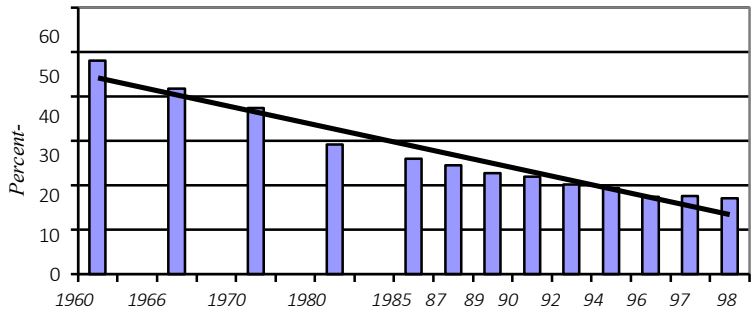
Year	*Members*	*Church service attendees*	*As a percentage of members*
Catholic Church			
1960	24,710,000	11,895,000	48.1%
1966	27,816,000	11,601,000	41.7%
1970	27,190,000	10,159,000	37.4%
1980	26,720,000	7,769,000	29.1%
1985	26,308,000	6,800,000	25.9%
1987	26,306,000	6,430,000	24.4%
1989	26,746,000	6,092,000	22.8%
1990	28,252,000	6,190,000	21.9%
1992	28,128,000	5,654,000	20.1%
1994	28,003,000	5,404,000	19.3%
1996	27,533,000	4,957,000	17.4%
1997	27,383,000	4,823,000	17.6%
1998	27,154,000	4,633,000	17.1%
Protestant Church (EKD)			
1994	28,197,000	1,284,000	4.55%
1996	27,659,000	1,102,000	3.98%
1997	27,398,000	1,080,000	3.94%
1998	27,099,000	1,141,000	4.21%

Sources: Statistical Yearbooks of the Federal Republic of Germany, and Federal Statistical Office of Germany: "Data Report 1999. Facts and Figures on the Federal Republic of Germany", p. 173.

[36] Press release from the Secretariat of the German Bishops' Conference dated 9 February 2000.

Rarely is there such a clear and uninterrupted downward trend: in 1998, only one in six Catholics (17.1%) and – unchanged – one in twenty-five Protestants (4%) still felt an inner connection to the established church in the form of its services.

Diagram 4: Catholic churchgoers as a percentage of all Catholics



These figures contradict the view held by church officials that their congregants simply wish to avoid paying church income tax by leaving the church.

Empirical studies by the Catholic Social Research Centre in Mönchengladbach point very clearly to the underlying problem: "The distinction commonly made today between (less significant) church attendance and (independent of this, more essential) religiosity and morality, which amounts to a devaluation of regular church attendance, is a fallacy from a social science perspective. Rather, the closeness to or distance from the Church influenced by church attendance appears to be a 'key issue' distinguishing Christian life."[37]

Christians who are close to the Church clearly differ in their attitudes towards the state and society from those who are distant from the Church,

[37] Andreas Püttmann: *Do Christians Live Differently? Findings from Empirical Social Research*. Cologne: Bachem, 1998, p. 13.

who closer proximity to those with no religious affiliation. Among other things: "Church-affiliated Christian's [have] greater trust in the state's law enforcement agencies and were more likely to justify their intervention and offer practical support. These individual findings correspond to the fundamental conviction of a three-quarters majority of church-affiliated Christians that 'our social order, as it currently stands (in the Federal Republic), is worth defending.'[38]

Even if the churches, as a confessional community, may object that their task is not the functional transmission of values such as loyalty to the state, but rather missionary work and pastoral care, this nevertheless throws the division of labour between the state and religious bodies into such disarray, i.e. into a *deficit* in the churches' *performance*, that politicians will at some point have to ask themselves whether the churches still 'deserve' their special privileges and state funding at all.

However, such a political discussion is countered by the fact that in an Allensbach survey (1995), when asked 'Do you think it is right or wrong that the state collects church tax in Germany?', only 33 per cent of business leaders considered state collection to be right, whereas 66 per cent of political leaders regarded it as right. (Population: 40 per cent in favour)[39]

In opinion polls, it is particularly the younger generation for whom denominational communities of faith are becoming less and less significant as a source of guidance.[40] In a society that is becoming increasingly 'individualised' in terms of life opportunities, in which each individual can no longer see themselves as part of a manageable community because flexibility, mobility and functionality are required, and because clear mental frameworks – and with them, inclusions and exclusions – are being lost, the Church, too, is losing its ability to bind individuals in the wake of an (apparent) liberalisation. For a dwindling proportion of the population, currently standing at around 20 per cent, denominational orientation will become more important as a mental 'framework of values'; for everyone else, the Church and its ministers are a mental 'obsolete model'.

And this will also be reflected in its finances. So, does the Church have other sources of income?

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[38] Püttmann, *Do Christians Live Differently?*, p. 10.

[39] *Allensbach Yearbook of Public Opinion Research*, 1993–1997, Munich: Sauer and Allensbach on Lake Constance: Verlag für Demoskopie, 1997, p. 282.

[40] See *Allensbach Yearbook of Public Opinion Research* 1993–1997, Chapter G: Church – Faith – Superstition, p. 257 ff.

3. Further church taxes

Church tax / Special church tax in mixed-faith marriages /
Revenue from other church taxes /
Why the problem with church taxes?

In addition to the church payroll and income tax, which is generally understood as the sole 'church tax', the churches levy further taxes on their members: church taxes on property and the church contribution.

3.1. Church dues

Church dues are a state-approved levy (ranging from DM 3 to 30 or DM 6 to 120 per year) which may be collected in the parishes (as 'local church tax') from all church members whose annual income exceeds a minimum amount (e.g. DM 3,600 per year). In this case, the beneficiaries are not the regional churches or dioceses, but the parishes.

3.2. Special church dues in interfaith marriages

This so-called 'Heidensteuer' (pagan tax), which has caused bad blood and disputes between spouses, as, for example, a husband who is not a church member must, in some federal states, pay the church income tax from his income on behalf of his wife, who has no income but is a member of the church. It amounts to between DM 216 and 500 annually and is collected by the tax authorities in ten federal states for both churches.

When the Protestant regional churches in Westphalia, the Rhineland, the Palatinate and Oldenburg also closed this 'equity gap' in 2000 and 2001 (with the updated amounts of DM 180 to 7,200), they issued leaflets and information explaining and defending this special church tax: "This is intended to close a gap in fairness and, in tough financial situation."[41]

Of all cohabiting couples, only married couples are affected – provided they avail themselves of the financial advantage of joint tax assessment. In other words: the church tax associations have access only to those couples who place themselves under the Christian-based state protection and promotion of marriage and family.

Given the comparatively low revenue, the Catholic Church would be well advised not to introduce the 'special church tax in interfaith marriages' in 2000 / 2001 in the five federal states, as the amounts involved are negligible and it is reasonable to assume that a non-denominational husband is more likely to pressure his Catholic wife and their Catholic-baptised children to leave the Church than to pay this penalty tax on their behalf.

[41] http://www.ekvw.de/aktuell/presse (25 October 2000)

3.3. Revenue from other church taxes

Revenue from church contributions and church tax on property, which are levied by the churches themselves, is not very significant from a financial perspective.

Whilst the share of revenue from other church tax income plus church dues in the EKD's total church tax revenue was still 6.6 per cent in 1953, it fell (despite an increase in the latter) to 4.8 per cent by 1964, stood at 2.8 per cent in 1968, 0.28 per cent by 1987 and finally 0.59 per cent of the total tax revenue of the Protestant Church in 1999.

Overview 15: Church payroll and income tax, other church taxes and church contributions within the Protestant Church in Germany (EKD).

Year	*Church taxes on income*	*Other Child tax*	*Church tax*	*Other child tax + church tax* *Total*	**%**
1953	336,019,000	14,999,000	8,562,000	*23,561,000*	*6.6*
1954	365,590,000	15,730,000	9,137,000	*24,867,000*	*6.4*
1955	385,763,000	15,051,000	10,800,000	*25,851,000*	*6.3*
1956	486,585,000	20,226,000	12,665,000	*32,891,000*	*6.3*
1957	500,057,000	22,172,000	14,030,000	*36,202,000*	*6.8*
1958	533,382,000	23,950,000	15,043,000	*38,993,000*	*6.8*
1959	637,205,000	31,982,000	17,532,000	*49,514,000*	*7.2*
1961	987,843,000	31,496,000	25,200,000	*56,696,000*	*5.4*
1962	1,126,041,000	38,310,000	27,553,000	*62,683,000*	*5.3*
1963	1,245,744,000	37,585,000	29,530,000	*67,115,000*	*5.1*
1964	1,370,543,000	39,052,000	29,967,000	*69,019,000*	*4.8*
1965	1,424,265,000	25,903,000	28,106,000	*54,009,000*	*3.7*
1966	1,600,531,000	25,469,000	43,174,000	*68,643,000*	*4.1*
1967	1,601,155,000	26,109,000	45,881,000	*71,990,000*	*4.3*
1968	1,719,875,000	19,337,000	30,440,000	*49,777,000*	*2.8*
1977	4,193,004,000	4,238,000	11,634,000	*15,872,000*	*0.38*
1985	5,549,198,000	3,188,000	14,733,000	*17,921,000*	*0.32*
1986	5,792,009,000	3,527,000	14,489,000	*18,016,000*	*0.31*
1987	6,226,863,000	3,365,000	14,521,000	*17,886,000*	*0.29*
1988	6,440,444,000	3,308,000	14,463,000	*17,771,000*	*0.28*
1989	6,763,273,000	3,563,000	15,495,000	*19,058,000*	*0.28*
1990	6,516,235,000	3,536,000	15,347,000	*19,031,000*	*0.29*
1991	7,583,969,000	3,263,000	33,283,000	*36,546,000*	*0.48*
1992	8,388,420,000	4,070,000	34,558,000	*38,628,000*	*0.46*
1993	8,346,250,000	4,025,000	35,277,000	*39,302,000*	*0.47*
1994	8,196,448,000	3,212,000	35,000,000	*38,212,000*	*0.46*
1995	8,340,573,000	2,990,000	38,573,000	*41,563,000*	*0.50*
1996	7,903,548,000	3,026,000	38,643,000	*41,669,000*	*0.52*
1997	7,563,986,000	3,493,000	39,805,000	*43,298,000*	*0.57*
1998	7,752,452,000	3,275,000	41,944,000	*45,219,000*	*0.58*
1999	8,226,589,000	4,121,000	44,603,000	*48,724,000*	*0.59*

Sources: 1953–1965 (excluding West Berlin): Church Yearbook for the Protestant Church in Germany; 1966–1968 (including West Berlin): Statistical Office of the Protestant Church in Germany. Both cited from: Klaus Martens: 'Wie reich ist die Kirche', Munich, 1969, pp. 34–35. (1960 is missing, as it was a 'short year' from 1 April to 31 December 1960)
1985 onwards: Statistical Yearbook of the Federal Republic of Germany and statistics from the EKD Church Office. From 1991 onwards: Germany as a whole.

Whilst these revenues for the Protestant Church still totalled DM 23.6 million in 1953, they rose to 72 million in 1967, only to fall to 16 million in 1977 – thus dropping even below the 1953 level – and by 1990/1991 had returned to the 1953 level: which, however, in real terms – taking into account inflation rates, wage increases and the loss of purchasing power – amounts to only about a fifth of the 1953 figure.

The Protestant figures can, in general, also be applied to the Catholic dioceses. Their share, however, is even lower, amounting to just 0.07 per cent of their revenue from the church tax on income.

Overview 16: Catholic church tax revenue: (in TDM)

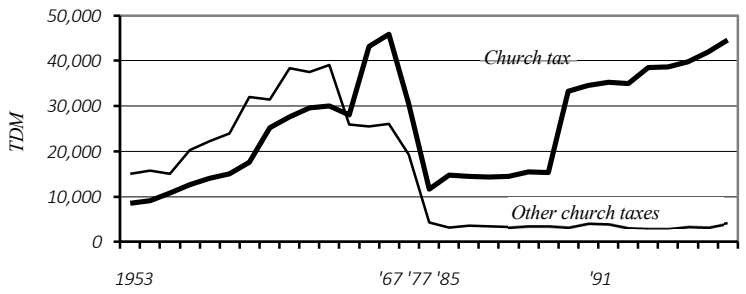
	1997	*%*	*1998*	*%*
Church income tax	7,846,733	*99.92*	8,147,631	*99.93*
Other church taxes	6,357	*0.08*	5,880	*0.07*
Total	*7,853,270*	*100*	*8,153,511*	*100*

Source: Statistical Yearbook of the Federal Republic of Germany, 1999.

The decline in these revenues, which are not collected by state authorities, highlights the particular emotional and legal complexities surrounding the church and money.

Whilst most church members appear to have become accustomed to the automatic deduction of church income tax from their pay – you don't miss what you don't get, and only around 40 per cent of all church members know how much church tax is deducted from their wages – they react more sensitively and with greater resistance when they are required to pay it 'compulsorily' directly. 'Year after year, the Church has had to send bailiffs to collect what are usually only small sums. Sending a bailiff contradicts the very nature of the Church.'[42] Consequently, it largely dispensed with this revenue, which it would have had to "collect" themselves, and instead relied on the church levy. What is striking here is the determination within the Protestant sector to collect these marginal sums in addition to church taxes on income.

Diagram 5: Other church taxes in the EKD, 1953 to 1999



[42] As stated in 1968 by the provost of the Pinneberg provostry, quoted from Martens, *Wie reich ist die Kirche?,* p. 56.

What is the total amount of church tax collected?

Overview 17: Church payroll tax, other church taxes and church contributions (in DM)

		1998	
	Protestant (EKD)	*Dioceses*	*Total*
Church income tax	7,752,452,000	8,147,631,000	15,900,083,000
Other contributions	45,219,000	5,880,000	51,099,000
Total	*7,797,672,000*	*8,153,511,000*	***15,951,182,000***
		1999	
Wage tax	8,226,589,000	8,657,909,000	16,893,155,909
Other tax	48,724,000	2,569,000	51,293,000
Total	*8,275,313,000*	*8,660,479,000*	***16,944,448,909***

Source: Statistical Yearbooks 1999, 2000

The total for 1999 is DM 16,944,448,909. In short: 17 billion marks, with the Catholic dioceses – which sometimes still give the impression that Catholics are in the minority in Germany – recording DM 385 million more in revenue than the Protestant regional churches.

Digression: Why is there a problem with the church taxes?

Question: How does one become a member of these bodies? Answer: Quite simply. The parents take care of that through baptism. And according to canon law (Can. 849 CIC: 'indelible mark'), once a person has been baptised, they can never leave the Church.

Baptism, and thus the declaration of membership, constitutes a massive and unconstitutional infringement of every newborn's fundamental civil right to freedom of religion!

You are free to hold this view privately, but legally the procedure is in order, as civil rights cease to apply at the church door. All state constitutional courts, as well as the Federal Constitutional Court, unanimously state that it is not their task or their right to interfere in internal church matters, yet at the same time they declare baptism to be a valid declaration of admission into the Church, as the parents are acting within the scope of their parental care for the child.[43] And: "The baptism of infants appears particularly appropriate, because it reveals the purely gratuitous nature of the salvation bestowed."[44]

The wording used by the tax officer at the EKD Church Office sounds more precise[45]: The obligation to pay church tax begins with baptism, specifically "from the first day of the calendar month following the baptism. This also applies to the baptised child, who was validly represented by the parents/godparents during the baptismal ceremony.

[43] Cf. Federal Constitutional Court: KirchE, 12, 101.

[44] EKD text: *Baptism and Leaving the Church*, II. Understanding Baptism. (June 2000).

[45] EKD text: *Church Tax*. A brief guide, by Jens Petersen, tax officer at the EKD Church Office, Chapter 4, p. 5, at: http://www.ekd.de/EKD-Texte/steuer (Incidentally, this 'brief' guide is 58 pages long.)

If a child now earns income subject to income tax because they has, for example, inherited a rental property at the age of three, it will be assessed for church tax in addition to income tax. However, such cases are rare."

The church is not a space outside the law, but a space governed by its own laws, and as long as a person is young, it is a legally unquestioned space in which a great deal happens: church services, Bible study, the Scouts, confirmation and communion classes, and finally confirmation/communion, which involves quite a few gifts – according to church tradition, one is now of age – and then the person starts working and suddenly pays *church tax*: for everything that used to be free, one is suddenly expected to pay. No problem: after all, you can always leave the church.

This, however, touches on an emotional subject that we'd like to examine with a touch of irony: what does leaving the church entail, i.e. the loss of denominational membership? The 'wedding in white' – the dream dress and the highlight of every fashion collection – and then the christening of the little ones to the sound of the organ, with the christened child in a little lace shirt, crying so cutely if the christening water hasn't been warmed up... – none of that will exist anymore! (Tears, sobs!) Oh, no, better still: yes. From the cradle to the grave: Christian robes.

But just because the parents carried you into the church as a helpless infant (who couldn't refuse the christening gift), and because it absolutely had to be the wedding photo with the white wedding dress, the official ceremonies are well rewarded. In 1997, there were a total of 1,047,515 'ceremonies' involving robes within the EKD (baptisms, confirmations, weddings [x 2] and funerals). If you calculate the church tax on these individual church ceremonies, it comes to DM 7,585.10 per person attending. It is no cheaper in the Catholic sector either; on the contrary, there it costs DM 7,882.37. But: should one forego all that atmosphere (are church taxes a kind of 'feel-good' insurance or contributions to an events agency?) for the sake of a few marks a month?

Let us take as a model the assumption that a wage earner with a gross monthly income of DM 3,321 pays DM 43.70 per month in church income tax; that amounts to DM 14.90 per week or three-quarters of a working hour in a 38-hour week – for which he receives DM 20.90 gross per hour. Extrapolated, that amounts to 37 hours per year, and over 50 working years that adds up to 1,863 working hours, which works out to 49 weeks, or (including holiday) around a year. In other words: a church-going person spends a whole year of their life working solely to pay their church tax.

Could one save this annual sum and, in return, genuinely do without a wedding in white and a church funeral? Some have, in fact, been doing just that since the wave of people leaving the church began to swell in the late 1960s. Consequently, concrete discussions began within the church itself among academic thought leaders in church administration about what could be done to counter this trend.

4. Church tax reform

Problems with the current church tax system / Church tax revenue of regional churches and dioceses / Staff costs / European regulations / Tax reform / Other possible calculations of church taxes

"For at least two decades, the churches predicted in internal statements that tax revenue would decline due to tax reforms and/or people leaving the church, etc. The forecasts had always proved to be wrong. [...] Having become complacent in many cases due to these false alarms, the catastrophic financial developments hit the church apparatus all the harder from the early 1990s onwards."[46]

The relative decline in growth rates had already triggered nuanced deliberations among scholars within the Protestant Church as early as 1984; these are astonishing to an outsider when one considers that a man of the Church is engaging in such reflections and presenting them publicly.

4.1. Problems with the current church tax system

Whilst the title of the article does not initially suggest anything unusual: "Problems and possibilities in the design of a church tax system from a theological and economic perspective"[47], the reflections are an example of how the official of the denominational tax association accuses not only the state but also the members of the confessional community of failing to support the religious community sufficiently.

First, the 'linking of church tax to income tax' is described in a matter-of-fact manner; then the problem is addressed 'that any determination or amendment of the state income tax "also affects church tax".

[46] Besier, *Konzern Kirche*, p. 22.

[47] by Dieter Kleinmann, pp. 919–944, in: Wolfgang Lienemann (ed.): *Die Finanzen der Kirche*, Forschungen und Berichte der Evangelischen Studiengemeinschaft, Vol. 43, Munich, 1989. (The author is a trained theologian and economist, so he should really have a firm grasp of the subject.)

This results in "an unsatisfactory and, from the Church's perspective, difficult-to-justify unequal distribution of the financial burden of the Church amongst its members". But then, point by point, it becomes clear where the problems lie. Due to the way the state's income tax system is structured:

- only 40 per cent of all church members must bear almost the entire financial burden of the established churches.

40 per cent!? As church tax is linked to income tax as a surcharge, the actual benchmark would be income earners who belong to the church. When calculated based on *all* church members (from infants to the elderly), this percentage drops to such a low figure. Moreover, as we shall soon see from the financial data provided by the denominational tax associations, the "total financial requirements of the established churches" are not covered solely by church tax revenue.

The section of the working population "who are not liable for income tax – or, if at all, only to a modest extent – and are therefore also not liable for church tax" includes:

- those foresters and farmers who are not legally obliged to keep – "whereby the facts relevant to the determination of income are only inadequately identified and taken into account."
- Through tax allowances or depreciation options, those with high-income earners may remain entirely or for years tax-free.
- Pensions, retirement benefits and other pension payments which (in 1986) DM 3,187.15 are tax-free – meaning no church tax either.
- Families with many children have such high child tax allowances that there is hardly anything left to be considered when calculating church tax.
- The tax-deductibility of donations and membership fees to political is baffling: "These regulations may well be justified for state tax purposes, but from the Church's perspective it is difficult to understand why contributions to political parties automatically lead to a reduction in church tax."

Conclusion: "The high number of people who, as a result of church tax being linked to income tax, do not contribute to the financial needs of the churches is, in this respect, unsatisfactory."[48]

For years, there were significant increases in church tax due to wage rises, which were subject to higher tax rates and did not only the state but

[48] Kleinmann, Probleme und Möglichkeiten ..., in: Lienemann (ed.), *Die Finanzen der Kirche*, pp. 919–925.

also the churches with revenue at higher growth rates than the real incomes of the working population.

"Whilst wages and salaries across the whole of Germany rose by around 155 per cent between 1950 and 1963, and the cost of living increased by around 30 per cent during the same period, revenue from church tax shows an increase of around 650 per cent."[49] To my knowledge, no church official has complained about this so far. Quite the contrary. In 1968, Archbishop Dr Joseph Höffner lamented that "he had never before seen a people in the history of mankind who had set aside such a small proportion of their national income for religious purposes as the modern affluent society. [...] 9.7 billion Deutschmarks were spent on cigarettes and tobacco products. By contrast, 1.2 billion Deutschmarks were paid in church taxes for all the dioceses in Germany."[50]

Which obviously leads to the conclusion that smoking tobacco is more addictive or more pleasurable than church and incense – or should the German people finally feel ashamed and do penance? That is no longer possible, however, as the Protestant Day of Repentance and Prayer has since been abolished – except in Saxony, where the Protestant population has always stood its ground against the (formerly Catholic) state. Since there are now plenty of these legal drugs available to buy in Germany, this also historically refutes Karl Marx's statement that "Religion is the opium of the people". Today, that is probably more likely to be television, alongside spirits and cigarettes.

Incidentally, the two benchmarks – tobacco tax (i.e. all cigarettes and cigars sold, i.e. all smoking Germans and tourists) and the Roman Catholic church members who pay church tax – are hardly comparable.

Another line of argument is also frequently put forward, as a Protestant variant: "As in previous years, it is once again expressly pointed out that, when compared over a longer period, revenue from church payroll and income taxes in the EKD has by no means increased to the same extent as payroll and assessed income tax across Germany." Between 1966 and 1986, payroll and assessed income tax rose fivefold – from 35 billion to 182 billion – whereas the EKD's share of church payroll and income tax rose only three-and-a-half-fold: from 1.6 billion to 5.8 billion.[51]

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[49] Martens, *How Rich Is the Church?*, p. 38.
[50] Catholic News Agency, August 1968.
[51] *Kirchliches Jahrbuch* für die Evangelische Kirche in Deutschland, 1986, pp. 127 ff.

As if it were some consolations that 'the state' takes more from its citizens' pay packets than the Church is able to from its members. When representatives of the Church espouse such a mentality – deeply suspicious that the congregation would voluntarily give enough to pay them decently, envious of party funding which, God forbid, one does not question, driven solely by the consideration of how to raise the necessary funds for the 'circumstances of the national church's tasks' – whatever that may be – then this reveals a sense of entitlement among church officials who seem to have lost sight of Christian communal ethics.

This one-sided view of the Church as a tax-collecting body and of the faithful as church taxpayers points precisely to the internal problem within the Church of the ever-weakening bonds between members as a community of faith. If we remain within the logic of the tax-collecting body, a more detailed overview of the number of church members, the level of church tax revenue and the conversion to per capita revenue begins to illustrate where the problems lie, alongside the declining number of church members.

4.2. Church tax revenue of the regional churches / dioceses

The ranking of per capita revenue and the fact that all East German regional churches are consistently ranked at the bottom points to three factors: unemployment, the age structure (many young people and many pensioners without taxable income) and income distribution.

Overview 18: Church members / Church tax revenue: Total / Per capita of the Protestant regional churches (1997 / 1998)

Regional Church	*Church members*		Church tax		*DM per capita*	
Württemberg	2,402,000	5	896,940,000	2	373	1
Hesse and Nassau	1,944,000	9	733,710,000	6	368	2
Hanover	3,269,000	1	831,729,000	5	254	11
Rhineland	3,114,000	2	1,127,857,000	1	362	3
Lippe	213,000	19	66,096,000	15	310	4
Bavaria	2,707,000	4	836,731,000	4	309	5
Westphalia	2,817,000	3	854,911,000	3	303	6
Braunschweig	469,000	16	142,198,000	12	303	7
Baden	1,369,000	7	404,325,000	8	295	8
Palatinate	660,000	12	183,884,000	11	279	9
Kurhessen-Waldeck	1,028,000	10	263,655,000	10	256	10
North Elbia	2,364,000	6	593,965,000	7	251	12
Schaumburg-Lippe	67,000	24	16,810,000	21	251	13
Reformed Church	202,000	20	48,555,000	19	240	14

Oldenburg	493,000	15	115,541,000	13	234	15
Bremen	271,000	17	61,173,000	16	226	16
Berlin-Brandenburg	1,344,000	8	300,287,000	9	223	17
Mecklenburg	244,000	18	34,189,000	20	140	18
Saxony	1,021,000	11	126,868,000	14	124	19
Silesian Upper Lusatia	72,000	22	8,569,000	23	119	20
Anhalt	70,000	23	7,931,000	24	113	21
Province of Saxony	585,000	14	61,078,000	17	104	22
Thuringia	534,000	13	48,581,000	18	91	23
Pomerania	138,000	21	9,035,000	22	65	24
*Total *)*	*27,398,000*		*7,797,672,000*		*283*	

Sources: Statistical Yearbooks 1997 and 1999 based on data from the Protestant Church in Germany (EKD). Own per capita conversion.

**) All church taxes, including military chaplaincy (church payroll taxes withheld from soldiers: DM 23,055,000)*

Overview 19: Church members / Church tax revenue: Total / Per capita for the dioceses of Germany (1997 / 1998)

(Arch)dioceses	*Church members*		Church tax		*DM per capita*	
Limburg	734,000	15	287,262,000	13	391	1
Cologne	2,332,000	1	902,449,000	1	387	2
Munich and Freising	1,930,000	5	706,986,000	2	366	3
Mainz	833,000	13	304,944,000	11	366	4
Rottenburg-Stuttgart	2,058,000	4	679,950,000	3	330	5
Aachen	1,247,000	10	400,838,000	8	321	6
Essen	1,054,000	11	329,759,000	10	313	7
Paderborn	1,828,000	6	565,372,000	6	309	8
Speyer	645,000	17	193,058,000	16	299	9
Münster	2,094,000	3	621,187,000	5	297	10
Freiburg	2,174,000	2	623,498,000	4	287	11
Hamburg	408,000	23	116,815,000	21	286	12
Berlin	419,000	22	118,748,000	20	283	13
Bamberg	814,000	14	224,711,000	15	276	14
Fulda	455,000	20	125,326,000	19	275	15
Hildesheim	705,000	16	184,545,000	17	262	16
Würzburg	905,000	12	235,135,000	14	260	17
Trier	1,669,000	7	428,313,000	7	257	18
Eichstätt	455,000	21	114,399,000	22	251	19
Augsburg	1,558,000	8	388,304,000	9	249	20
Osnabrück	584,000	18	133,440,000	18	229	21
Regensburg	1,338,000	9	286,276,000	12	214	22
Dresden-Meissen	176,000	26	33,633,000	24	191	23
Passau	543,000	19	103,268,000	23	190	24
Görlitz	50,000	27	6,571,000	27	131	25
Erfurt	187,000	25	20,745,000	25	110	26
Magdeburg	190,000	24	17,979,000	26	95	27
*Total *)*	*27,383,000*		*8,153,511,000*		*298*	

Sources: Statistical Yearbooks 1997 and 1999 based on data from the Tax Commission of the Association of German Dioceses.

**) All church taxes (after deduction of the administrative costs levy)*

The typical East-West distribution in the rankings of per capita revenue is (as expected) the same for the Catholic dioceses as it is for the Protestant regional churches.
As these aspects are not to be examined in greater depth here, just three further remarks.

- The 'accusation' that the Archdiocese of Cologne is the richest in Germany is not strictly true, as it has the largest membership of all German dioceses and consequently receives the highest revenue. The 'richest' diocese is Limburg, with the highest per capita income of DM 391.
- Church leaders should take a closer look at the regional churches of Württemberg, Hesse/Nassau, Lippe and Brunswick, as well as the dioceses of Limburg and Mainz, as they generate significantly higher church tax revenue relative to their membership numbers than the other regional churches and dioceses.
- If we take as a basis the figure that (in the western federal states) only 40 per cent of church members actually pay church tax, then the per capita figures must be multiplied by 2.5 in each case. In Württemberg, the paying Protestant member then pays an average of DM 932 per year.

What are these revenues from the surcharge tax now mainly spent on? Or to put it another way: are there any expenditures that represent a structural problem in the financial situation of both churches?

4.3. Staff costs

For whom or what is the church, as an organisation, important? Firstly, as with all organisations, it is important for those who work within it and earn their living from this work (*an end in itself*). Secondly, it is important to those for whom an organisation claims to do good or necessary *work (its mission)*. And thirdly: what role does it play as an organisation in a society based on the division of labour *(function)*? If 55–80 per cent of income is now spent on its own staff[52], the end in itself is the primary consideration.

However, with the argument that 'pastoral care is service to people and is therefore labour-intensive'[53], every personnel expense *and building project* of the Church is placed in a pastoral context – which, in my view, is incomprehensible, for example, as staff accommodation and church buildings, however important they may be, do not automatically imply pastoral

[52] E.g. 'two-thirds' in Nichtweiß (ed.), *Has the Church Earned Our Money*?, p. 10.
[53] Nichtweiß (ed.), *Hat die Kirche unser Geld verdient*, p. 12

care. And to what extent church leaderships are still engaged in pastoral work is a matter for each individual to judge.

The Vicar General of the Archbishop of Cologne has presented detailed figures regarding personnel costs for the Archdiocese of Cologne in 1993.
"Around 55 per cent of the Archdiocese of Cologne's church tax revenue is used to finance personnel costs directly or indirectly. In financially weaker dioceses, this proportion is likely to be somewhat higher. What is surprising, however, is that only 13.6 per cent of staff (approx. 6,500) are paid exclusively from church tax funds."[54] The further percentages provided by the Vicar General and my own calculation of the number of staff paid from church tax and state funds are, however, even more surprising.

Overview 20: Employees of the Archdiocese of Cologne and their funding

Area	*Number of Staff*	*Payment from Church/KiSt*	*'External'/State*
Hospitals, care homes	29,200	0	29,200
Schools, universities of applied sciences	2,800	280	2,520
Caritas	2,200	440	1,760
Nurseries, Foreigners' Centre	6,300	1,575	4,725
Education, counselling	1,000	500	500
Pastoral care, administration	6,500	6,500	0
Total	*48,000*	*9,295*	*38,705*

Source: Norbert Feldhoff: "Where does the church tax go?", p. 48/60.

Of the 48,000 employees of the Archdiocese of Cologne (excluding religious orders, staff in institutions legally affiliated with the Church – publishing houses, housing associations – and religious education teachers), only 9,295 (19.4%) are paid from church tax revenue, whilst the 'remaining' 38,705 employees (80.6%) are paid by the state and social security providers.

For the 9,300 self-financed employees, the Archdiocese pays DM 583,631,000 (55% of the diocesan budget) from church tax revenue. For the other employees in church services, the state and the social security funds pay DM 2,430,286,950 annually (on the same wage basis). However, these 2.4 billion do not appear in the Archdiocese's budget. Dependence on church tax revenue thus turns out to be very relative.

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[54] Norbert Feldhoff: 'Wo bleibt die Kirchensteuer?', in: Wolfgang Ockenfels/Bernd Kettern (eds.): *Streitfall Kirchensteuer*. Paderborn: Bonifatius, 1993, pp. 27–60, here p. 48.

Since the formal reasons for the decline in church payroll tax revenue are well known, a new approach was devised in 1999: the decoupling of church tax from income tax and its direct linking to gross wages earned – which continue to rise, even if the wage earner is left with less in net terms. This proposal was not brought into the discussion by a denominational official, but by the Social Democratic Minister-President Beck (Rhineland-Palatinate).[55]

All these reform ideas are based on the fact that the denominational tax associations do not wish to break away from the link to income tax, the state tax offices and the calculation of church tax by employers. But the factors of an ageing population, income disparities and unemployment alone mean that any idea of a surcharge tax inevitably leads to the familiar problems.

The intention to at least stabilise revenue is, however, understandable, as there are a great many staff to support. The brief reference to jobs is merely intended to illustrate that, particularly in the Protestant sector, a large workforce was built up during the 'fat' years of church tax revenue, a workforce which is also entitled to pension and widow's pension benefits.

Whilst in the Catholic sector the number of clergy fell from 25,000 to 11,000 between 1957 and 1997, the number of Protestant theologians rose in exactly the opposite direction during the same period, from 10,600 to 24,800,
i.e. by 14,000 or more than double. 14,000 more theologians mean an additional annual expenditure of around DM 2 billion. As a 'serving theologian' in a parish is usually supported by four other staff members (secretary, verger, deacon, parish nurse), these 14,000 theologians then entail 50,000 additional staff members. And all these other staff members also want to see their agreed salary every month.

The Catholic sector is in a better economic position in this respect. There is an acute and threatening shortage of new recruits; moreover, secular and religious clergy are not paid in line with the federal civil service pay scale, and there is no provision for survivors' benefits for them either. The Catholic 'apparatus' is therefore shrinking of its own accord, a section of the workforce is content with 'God's reward', and the coffers are fuller than those of the Protestant competition – who would claim that the Catholic Church is not more economically viable?

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[55] See *Badische Zeitung*, 10 April 1999 (http://www.bz-online.de)

Regarding the costs of the 'church apparatus', individual pastors in the Protestant sector are already asking, [56] "how and why, as members of their regional churches, they must still belong to a 'super-church'. And that wants to be paid. 469 million marks for the EKD in 1997."

4.4. European regulations

Leaving these internal problems aside for the moment, potential European regulations are causing concern among the denominational tax associations.

In this sensitive debate (after all, it is about money), there are, however, also clear, faith-based positions: "The Church will survive even without tax." So said the late Archbishop Dyba of Fulda, who expected the abolition of church tax in Germany in the near future, as it would contradict forthcoming European regulations on church financing and data protection provisions stipulating that no one is obliged to disclose their religious affiliation.[57]

A provision that was already enshrined in the Basic Law of the Federal Republic of Germany in 1949: "No one is obliged to disclose their religious beliefs."[58]

Although the European Commission has no mandate for matters of church financing, the churches are already taking precautionary steps, both politically and in the media, to ensure that subsidiarity (what social organisations can do, the state need not do) is also taken into account in European regulations.[59] It is constantly repeated – almost like a prayer or incantation – not only in relation to the Federal Republic of Germany but also to the European Union: "It can only overcome and resolve its problems on the basis of spiritual and moral foundations that have been brought into society and consolidated by the churches."[60]

At the same time, church lobbyists joined forces with the German federal states – their contractual partners in the State-Church Agreements/Concordats. The federal states do indeed regard the

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[56] From a letter to the editor by the Erlangen pastor Dietrich Blaufuß in the FAZ, cited in Besier, *Konzern Kirche*, p. 102.

[57] Cf. *Hamburger Abendblatt*, 18–19 March 2000, p. 5.

[58] *Basic Law,* Article 140, which incorporates the first sentence of Article 136(3) of the German Constitution of 11 August 1919 (Weimar Constitution).

[59] Detlef Merten: *Subsidiarity as a Constitutional Perspective for Europe.* Cologne: Bachem, 2000, 16 pp.

[60] Wilhelm Schätzler: *European Unification and the Churches*. Cologne: Bachem, 1998, p. 9.

The concept of political subsidiarity, as a means of preserving their own political powers vis-à-vis the federal government and the European Union, yet in their demand for the non-alteration and retention of existing 'cultural' regulations, they represent an interest parallel to that of the financial officers and directors of religious societies.

The current state of affairs regarding a European threat to the German churches' reserves – after all, a German woman could also bring a case before the European Court of Justice seeking equal rights and admission to the priesthood – is an agreed status quo: for the time being, the existing national regulations remain in place. Even the 'landmark' EU summit in Nice (December 2000) granted every country a right of veto on cultural matters. This had been demanded by the German federal states on behalf of Germany. The churches need not concern themselves with this.

4.5. Tax reform

The proposal by Rhineland-Palatinate's Minister-President Beck to link church income tax to *gross wages* was put forward at a time when the outlines of a tax reform by the 'red-green' federal government were becoming apparent. This tax reform, which has been in force since 2001, aims, among other things, to reduce both the entry-level and the top rates of income tax. With a reduction in income tax revenue of 60.5 billion marks annually by 2005[61], this could mean a shortfall in revenue for the denominational tax associations of up to four billion marks. Even if the number of unemployed were to fall by one million, this would be little consolation for the churches, as it would only bring in an additional 600 million marks, and the loss of revenue would still amount to more than three billion marks.

Accordingly, they are intervening and suggesting that they will reduce their social services (nurseries, schools, etc.) if the state does not contribute to the funding to an (even) greater extent. "The Church is also hit hard because, in this country more than anywhere else in Europe, it has taken on the responsibility of serving society." So says the Diocese of Augsburg.[62]

This reversal of the facts, whereby the churches now portray themselves as victims of a development that they themselves had demanded fifty years ago—namely that the subsidiary sectors be regarded as their sphere of responsibility and is understandable, but remains incorrect nonetheless.

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[61] See *Der SPIEGEL*, 17 July 2000, p. 23.
[62] http://www.bistum-augsburg.de/geld/geld11.htm (June 2000)

Nor is it made correct by the alliance between the Bündnis90/Die Grünen parliamentary group and the churches, which, using the same reasoning – 'primarily due to pressure from us in Bündnis90/Die Grünen' – averted part of the impending loss of church tax revenue for the denominational tax associations through the *Act regulating the basis for assessing surtaxes*.[63]

At the same time, the denominational tax associations face further financial losses from another quarter.

Both in the European Union and in Germany, political intentions are being voiced to shift tax revenue more heavily towards indirect consumption taxes (including an increase in VAT) to be able to lower income tax even further, a move in which the business community also has an interest. This would once again leave the denominational tax associations on the losing side. Nor will they be able to resolve this problem so easily, for "direct participation by the churches in indirect taxes or, alternatively, a social tax levied by the state on non-church members [is] unlikely to be an option, primarily for constitutional reasons."[64]

Two comparisons help to illustrate why the denominational tax associations, particularly the Catholic bishops, defend the traditional system of church payroll tax in Germany as the best and fairest system, despite all complaints about dependence on state regulations.

4.6. Other possible methods of calculating church taxes

In Germany, there are other public-law bodies that collect membership contributions—in this case, licence fees—in accordance with state law and politically approved maximum rates: the public-service broadcasters ARD and ZDF, with their own collection system operated by the GEZ (Gebühren Einzugs Zentrale).

In 1998, every household owning a television or radio set paid DM 28.25 per month, or DM 339 per year, in licence fees – regardless of how many people lived in the household, or how often television was watched or radio listened to. This simplified collection considerably, and of the 10.79 billion in licence fee revenue, only 2.9 per cent (DM 311 million) needed to be spent on this.[65]

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[63] Press release No. 0686/2000 from the Bündnis90/Die Grünen parliamentary group in the Bundestag, dated 10 November 2000.

[64] http://www.bistum-augsburg.de/geld/geld11.htm (June 2000)

[65] See *ARD Yearbook 1999*, p. 338, and *ZDF Yearbook 1999*, p. 293.

Following the same logic – which, after all, does not ask churchgoers how often they attend church or whether they consider the 'programme' to be good or bad – with 25 million Christian member households, each of these households would have to pay DM 628 per year[66] in order to maintain the current revenue from church tax. Since every pensioner, every unemployed person, all large families and those on low incomes would now also have to pay this DM 628, exactly what the denominational tax associations fear most would probably happen: a new wave of people leaving the church.

If we now consider the logic of a membership fee that everyone who is a member of an association has to pay, the individual church membership fee (with 54.8 million members of the two churches) would amount to DM 287 per year per member. For all single people in employment, this would be a significantly lower annual fee than before; for a large (tending towards Catholic) family with four baptised children, however, the sum for the mother and father would amount to DM 1,722 per year, and the wave of resignations is already looming on the horizon once again.

It is therefore not surprising that the denominational tax associations do not wish to shake up the established order.

Proposals to switch church funding (in line with the US model) to voluntary donations are met not only with resistance from within the church, but also with the reality that German priests and pastors are not trained in business administration or fundraising and are not accustomed to behaving in an economically minded manner.

In Cologne in 1993, a rare and, to date, unique experiment took place: the landlord of *the 'Weißer Holunder'* preached from the pulpit of the Christuskirche, whilst the pastor served beer in the landlord's pub in his stead. Both the landlord and the pastor threw themselves into the task with great enthusiasm, and in the end it was only the landlord who was left feeling a little disappointed. Not only had the pastor been too slow at tapping the beer (the guests had to wait and the beer had gone flat and lost its head in the meantime), but he had also only managed to pour 1,600 glasses of Kölsch from the four hectolitres of beer instead of 2,000; and finally, when the guests had correctly placed their beer mats on the bar for the bill, he had generously said: "You tell me what you want to pay."[67]

But a few years have passed since then, and there are now examples of how things can be done better economically. Since 1998, churchgoers at the Protestant St Peter's Church in Bernhausen near Stuttgart can now make their

[66] Calculated on the basis that there were 37.5 million households in Germany (in 1998) and 67 per cent of the population are church members.

[67] Detlef Schmalenberg / Jochen Arntz: From the bar to the pulpit, in: *stern*, No. 44, 20 October 1993, p. 264.

donations cash-free. “Alongside pastries and coffee, there is a terminal for debit and credit cards in the church foyer, which also prints out donation receipts on request.” Increase in revenue: around 60 per cent.[68]

5. Church taxes and other revenue

Total revenue / Budget plans of dioceses, regional churches / Budgets of parishes / Revenue and coverage of needs

With regard to church taxes, the Church has abandoned its aversion to publicity[69], as the 'wave of people leaving the Church' was attributed in particular to the compulsory deduction of church tax from wages/salaries. As every church tax payer can see on their payslip the amount of church tax withheld from their wages or salary, this is in principle not an 'unreported figure', and the figures for total church tax revenue are published in the Statistical Yearbooks of the Federal Republic of Germany based on data provided by the religious communities.

With regard to 'other income', however, the figures become sparse. Whilst no such figures on total income are available for the Catholic sector from the Secretariat of the German Bishops' Conference, the Protestant sector has been compiling comprehensive statistics on income and expenditure since 1979, which were refined and published in 1984.

The EKD's intention to compile such financial statistics every seven years did not materialise in 1990/91, as the financial regulations of the eastern member churches did not yet conform to western criteria. Now that matters have been sorted out, the figures for 1999 are expected to be published in 2002.

5.1. Total revenue

For 1984, the Protestant churches in Germany reported, in addition to the then DM 5.2 billion in revenue from church taxes, a further DM 4.4 billion in 'other revenue'. Church tax accounts for 54 per cent of all revenue, i.e. just over half. The next largest revenue item is 'grants from third parties' (DM 1.5 billion), followed by 'fees, charges, etc.' (1 billion) and interest on capital and assets (700 million).

68 *stern*, No. 42, 8 October 1998, p. 22 (High-Tech-Pfarrer).

69 Whilst the EKD has 'always' disclosed its church tax revenue in its Church Yearbooks, the Catholic Church published its church tax revenue for the first time in 1968 (cf. Martens, *How Rich Is the Church?*, p. 33).

Overview 21: EKD revenue for the 1984 financial year (in DM)

Type of revenue (grouping)	*DM*	*%*
Total church taxes	5,156,986,368	53.9
Grants from third parties	1,457,479,498	15.2
From financial assets, land, equity investments and rights	698,086,547	7.3
Fees, charges, etc.	1,003,621,960	10.5
Recorded collections, voluntary contributions, offerings and donations	248,924,890	2.6
Borrowing	130,386,370	1.4
Other capital revenue	871,977,441	9.1
Total	*9,567,463,074*	*100*

Source: Church Yearbook for the E. K. D., 1987, Issue 3, Dieter Rohde: Church Statistics, p. 312

Even though revenue from church tax accounts for a good half of the total, the other sources of income are often overlooked and – as we shall see – are also incomplete. But let us stick to these figures for the time being.

An overview of both denominational sectors, nine years later for 1993, highlights the similarities and differences. Generally speaking, the sources of revenue for both church organisations are comparable, which is to be expected given roughly equal membership numbers, identical church tax rates and the same legal basis for state subsidies.

Overview 22: Revenue of the Protestant and Catholic Churches, 1993 (in DM)

From:	*Protestant Church*	*%*	*Catholic Church*	*%*
Church taxes	8,400,000,000	*51.6*	8,400,000,000	*45.4*
State funding	3,100,000,000	*19.0*	3,900,000,000	*21.1*
Assets	2,300,000,000	*14.1*	2,800,000,000	*15.1*
Fees	800,000,000	*4.9*	2,200,000,000	*11.9*
Donations	1,500,000,000	*9.2*	900,000,000	*4.9*
Borrowing	200,000,000	*1.2*	300,000,000	*1.6*
Total	*16,300,000,000*	*100*	*18,500,000,000*	*100*

Source: Gerhard Besier: Konzern Kirche, 1997, pp. 26–27. (No further source cited there.[70])

Compared to 1984, however, the proportion of church taxes in total revenue fell relatively slightly in 1993 (52% and 45%), and public state subsidies and

[70] Upon enquiry to the author Gerhard Besier, I was informed that the source was the published budgets of the two churches. This information is incorrect, as the EKD did not compile any financial statistics for these years, and therefore did not publish any, and the Catholic Bishops' Conference does not possess or publish any such aggregate figures at all. The source for these figures is evidently research carried out by the magazine DER SPIEGEL, which published these figures three times in its issues: for 1992 in issues 40/1993, p. 117 and 2/1994, p. 25, and for 1993 in issue 10/1995, p. 80.
The only difference between the figures for 1992 and 1993 is the amount of revenue from church taxes. All other revenue remains the same for both years, which, however, cannot be the case, as state subsidies, for example, increase annually. (See chapter: State subsidies). However, as the SPIEGEL investigations are to be regarded as comparatively reliable and these figures (according to SPIEGEL) have not been contradicted by the churches, they are to be retained for the time being as a correct order of magnitude.

grants have risen (in absolute terms to double the previous amount) to a total of seven billion, as have revenues from assets, which have tripled (in absolute terms) to 5.1 billion.

Although these figures have not been precisely verified, they are the only (plausible) data available for *both* major churches and should therefore – despite the reservations outlined – be retained for the time being.

In total, the 'constitutional' churches in Germany (in 1993) are reported to have had total revenues in the region of around DM 35 billion, of which church tax revenue accounts for (only) just over or just under half.

At any rate, it can thus be concluded that the actual and published revenues are twice as high as the revenue from church taxes. The churches' dependence on income from church payroll tax is therefore not quite as dramatic as it sometimes sounds.

The official Protestant overall revenue statistics are also commented on self-critically: "The EKD financial statistics for 1984, which relate exclusively to the established church, present the difficulty that, for technical reasons relating to data collection, certain church services, organisations and institutions within the EKD that are not incorporated into the established church but carry out their tasks independently within organisational forms governed by private law (e.g. as an association, limited liability company, foundation and the like) with their income and expenditure could not be directly included."

In particular, the following are missing: the entirety of the diverse diaconal institutions, church development aid (including donations to *'Brot für die Welt*'), world mission, the Inner Mission, church publishing, the education and training sector, services to specific groups, the Protestant Church Congress...[71]

A particular difficulty in compiling the information lies in the fact that not only do the figures for the Protestant sector in Germany refer exclusively to the 'constituted church', but also, with regard to the Catholic sector, its particular self-understanding must be taken into account.

'Church finances are governed by the rules of state church law and by the provisions of canon law concerning "the order and administration of the temporal goods of the Church". The provisions of canon law give rise to a tendency

[71] See *Kirchliches Jahrbuch 1987*, p. 309

sub towards (decentralised, subsidiary) self-administration. Thus, the Bishop's See, the Cathedral Chapter, the parishes (church communities), the local parish associations, the religious cooperatives (religious orders) and all other ecclesiastical legal entities (e.g. Caritas) manage their finances independently and on their own responsibility within the framework of their respective budgets. In keeping with this trend towards decentralisation, there is no consolidated budget, similar to the 'consolidated balance sheet' in the business world. Nor is the budget of a diocese such a consolidation."[72]

For example, for every Catholic diocesan budget – and similarly for every budget of a Protestant regional church – church taxes are shown in full (they are first transferred in full to the diocese, which then distributes them further), whereas state allocations and grants are stated at only 8–10 per cent, as only those allocations going directly to the diocese are listed – all others are shown only in the budgets of the parish associations and parishes.

In turn, the diocesan budgets do not include the income of the "episcopal see", i.e. the diocesan bishop and his staff, are *not* included. As a former diocesan councillor reports: "The diocesan council naturally only monitors the diocesan budget. What it cannot monitor is the assets of the episcopal see; what is only mentioned in passing is the capital assets. There is a whole range of items that do not appear in the budget at all: the diocese's shareholdings in hotels, a publishing house, and the diocese's housing association – all things that generate income and whose whereabouts are unknown to anyone in the diocesan budget."[73]

Although the EKD's financial statistics mentioned above remain within the scope of the 'constitutional Protestant Church', by surveying all parishes they do at least cover, for this 'internal' sphere, the income that is recorded only at parish level (e.g. grants and refinancing of childcare facilities). These statistics at least provide a more accurate picture for a larger cross-section of church organisations.

However, no information is published regarding the question of assets. This is no coincidence and does not only concern the Catholic Church. For example, the 'Church Act on the Budget, "Cash and Accounting in the North Elbian

[72] http://www.erzbistum-koeln.de/frame/lexikon/einträge/finanzen

[73] Gerhard Rampp: 'Church and Money: The Inseparable Siamese Twins', in: Clara and Paul Reinsdorf (eds.): **God's Puppet Masters*: *The Churches on the March into the 21st Century**. Aschaffenburg/Berlin: IBDK/Alibri Verlag, 1995, p. 23.

Protestant Lutheran Church" in § 13: "(1) The budget shall be accompanied by [...] b) an overview of assets, in particular capital assets and reserves," and this is then clarified as follows: "A presentation of movable and immovable assets (para. 1(b)) is not required."[74] To clarify what these statements mean for our research question, this will be illustrated using the aspect of finances in the budgets.

5.2. Budgets of the dioceses and regional churches

The regional churches and dioceses have been publishing their budgets for some time. What is actually recorded and published in these budgets? The following *Diagram 1* applies to both the dioceses and the regional churches. The only difference is the special legal status of the Bishop's See within the organisational structure of the institutional Catholic Church, which is unknown in the Protestant sector.

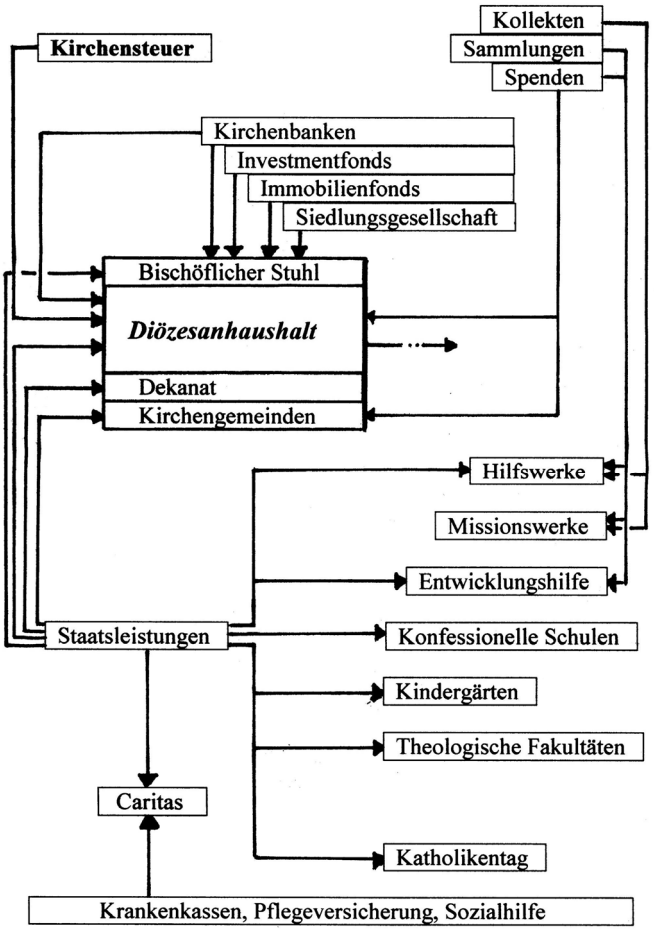
According to the respective financial statements, only what 'reaches' the respective legal entity is recorded in the respective 'budget book'. The published figures for the dioceses (and regional churches) correspond to the incoming 'money arrows' in the central, thickly bordered field 'Diocesan Budget'. Of the (exemplary) 25 distribution, only four arrive in the diocesan budget.

The rest of the financial activity takes place outside the accounts of the diocesan or regional church budget. Only church taxes are received exclusively in the diocesan budget, from where they are then distributed further.

The majority of state funds (e.g. for nurseries run by parishes) and the majority of donations/collections do not appear in the diocesan budget, and nothing at all is shown of the total grants and refinancing provided to Caritas from public funds.

[74] Church Law, Statutory Order and Implementing Provisions on Budget, Cash and Accounting, Lutheran Publishing House Kiel, 1986, p. 21.

Diagram 6: Church legal entities / Income



Only a small proportion of state payments and public subsidies (excluding the charitable sector) appear in the budget.[75] Although representatives of both denominational sectors unanimously declare that they have "transparent pockets",[76] by which they mean their published budgets,

[75] As in the *2000 Annual Report* of the Protestant Regional Church in Württemberg, pp. 68–69. The Regional Church receives 70.9 million in state grants, 40.1 million for religious education (= 111 million), whilst the parishes receive 225 million in public subsidies.

[76] For example, for the Protestant Church, the brochure **Die Kirche hat gläserne Taschen** (*The Church Has Transparent Pockets*), Hamburg, (1970), 24 pages; for the Catholic Church: 'The Church has transparent pockets-

one must ask whether they do so 'with a pure heart', because the perspective of legal legal personality is their everyday reality, or whether they themselves do not actually realise what it means when they present a part as a whole.

Any ordinary person is entitled to expect – given that they have no knowledge of canon law, church constitution or the principles of church financial management and systems – that an official overview entitled: 'Budget of the Diocese ... (of the Regional Church ...)' actually contains the entirety of the diocese's / regional church's financial affairs. In reality, it covers only about one-fifth of the diocese's / regional church's finances. It is telling that, upon enquiry, the umbrella organisations of both denominations (the EKD in Hanover and the Secretariat of the German Bishops' Conference in Bonn) were unable to provide figures for the total budget in their respective sectors.

The discrepancy in the various calculations of the budgets is illustrated by a comparison of the figures provided by the Vicar General of the Archbishop of Cologne regarding the budget of the Archdiocese of Cologne (which, according to him, corresponds in structure to that of all other dioceses) with the aforementioned overview for all Catholic dioceses.

Overview 23: Income of the Archdiocese of Cologne and all Catholic dioceses in Germany (both 1993)

Revenue from:	*Archdiocese*	*All dioceses*
Church taxes	75.3%	45.4%
Public funding	9.6%	21.1%
Income from assets	–	15.1%
Income from administration and operations	11.9%	11.9%
Collections and donations	0.3%	4.9%
Capital-forming income	2.7%	1.6%
Other revenue	0.2%	–

Sources: (Cologne) Norbert Feldhoff: 'Where does the church tax go?', in: Ockenfels/Kettern, Streitfall Kirchensteuer, pp. 27–60. (Dioceses) Gerhard Besier, Konzern Kirche, 1997, p. 27.

The most significant difference between the two sets of figures is, in the case of the figures provided by the Vicar General of the Archdiocese of Cologne, the considerably lower proportion of state subsidies and the complete absence of income from assets. In financial terms, this amounts to a shortfall of around 400 million marks in the figures for this diocesan budget alone.

However, the published figures on the finances/budget of the regional churches in the Protestant sector correspond to the same logic.

and no reason to hide anything" (Prelate Norbert Feldhoff, Vicar General of the Archdiocese of Cologne, in an interview with the *Rheinischer Merkur* on 13 January 1995).

An eight-page leaflet on the subject of 'Figures, Facts, Data' is available in Bavaria's Protestant churches, setting out the budget figures for the Bavarian Regional Church's total income for 1999.

Once again, the proportion of church tax is overstated in comparison to the EKD as a whole (76% instead of 52%) and income from assets is understated (only 3.2% instead of 19%).

Overview 24: Revenue of the Bavarian Regional Church (1999) EKD (1993)

Revenue from:	*Regional Church*	*E K D*
Church payroll taxes	75.5%	51.6%
Public subsidies	17.5%	19.0%
Income from assets and administration	3.2%	19.0%
Donations, reserves, other	3.8%	10.4%

Sources: (Bavarian Regional Church) Regional Church Office: Figures, Data, Facts. As at: October 1999 (EKD) Gerhard Besier, The Church as a Corporation, 1997, p. 26.

The logic behind these budgets is peculiar and becomes clear in the comments on the budgets: time and again, it is emphatically pointed out how important and significant the revenue from the church tax on wages is and how small the proportion of public subsidies is. Thus, the Chairman of the German Bishops' Conference, Bishop Lehmann, stated as recently as January 2000: "The two major churches derive up to 90% of their revenue from church tax."[77] This statement is factually incorrect when referring to "the Church".

An overview of the figures from the budget plans published online highlights the varying figures reported by the individual (arch)dioceses. The figures for **public subsidies** range from 27.4 per cent in the Diocese of Berlin to 0.92 per cent in the Diocese of Dresden-Meissen.

A 'cross-check' of the figures must be limited to the dioceses, as the Protestant regional churches are very secretive about financial matters in public. Whilst of all 27 Catholic (arch)dioceses only one (Görlitz) does not publish its budget online, of the 24 Protestant regional churches only twelve provide details of their finances.

[77] *Westdeutsche Allgemeine Zeitung*, 24 January 2000, quoted from: http://www.kirchen-steuern.de/Texte/Lehmann/Obergrenze.htm

Overview 25: Revenue in diocesan budgets (in TDM)

(Arch) Diocese	*Year*	*KiSt.*	*KiSt %*	*State Grants*	*Other Revenue*	*Total*
Aachen	*1998*	(627,750)	*(81)*	-	(147,250)	775,000
Augsburg	*2000*	439,650	*88*	32,056	25,750	497,456
Bamberg	*2000*	(207,846)	*(81)*	(15,396)	(33,358)	256,600
Berlin*)	*1998*	115,000	*41*	77,500	53,900	246,400
Dresden-M*)	*1998*	30,000	*46*	18,300	16,800	65,100
Eichstätt	*2,000*	124,420	*84*	11,141	7,320	142,881
Erfurt*)	*2001*	20,500	*27*	8,500	4,500	33,500
Essen	*2,000*	314,738	*76*	64,694	35,607	415,039
Freiburg	*2,000*	668,300	*85*	46,123	71,398	785,822
Fulda	*2001*	153,657	*(81)*	-	(36,043)	189,700
Görlitz						-
Hamburg	*2001*	123,700	*79*	-	33,800	157,500
Hildesheim	*1999*	(219,186)	*(81)*	-	(51,414)	270,600
Cologne	*2000*	888,000	*69*	-	390,000	1,278,000
Limburg	*2000*	296,400	*84*		55,200	351,600
Magdeburg*)	*1999*	17,000	*38*	21,800	5,700	44,500
Mainz	*2,000*	330,600	*68*	109,300	45,500	485,400
Munich/Fri	*2000*	701,000	*89*	46,749	33,050	784,749
Münster	*1999*	(523,260)	*(81)*		(122,740)	646,000
Osnabrück*)	*2000*	140,561	*75*	5,160	35,534	181,255
Paderborn	*1997*	618,300	*90*	-	68,700	687,000
Passau*)	*2000*	108,000	*80*	10,600	17,000	135,600
Regensburg	*1998*	383,300	*80*	(28,887)	(69,272)	481,460
Rott-Stuttgart	*2000*	269,000	*69*	-	138,942	448,200
Speyer	*2000*	199,200	*76*	-	62,800	262,000
Trier	*1999*	439,000	*78*	-	111,000	550,000
Würzburg	*2001*	230,000	*89*	14,724	14,475	259,200
Totals		*8,188,369*			*1,687,053*	*10,430,562*

Figures in brackets are conversions where only the total budget and percentages have been given.
**) Excluding intra-church financial equalisation (special levy for the East by West German dioceses, Diaspora Commissariat of the German Bishops (=transfer payments), Bonifatiuswerk and financial equalisation), which amounted to the following in the (arch)dioceses: Berlin: 36,330,000 / Dresden-Meissen: 44,200,000 / Erfurt: 41,600,000 / Magdeburg: 42,000,000 / Osnabrück: 5,964,200 / Passau: 15,800,000 / ...*

In this 'cross-check', we must also limit ourselves to the Free State of Bavaria, as both churches and the state government have published detailed information on their income and payments.

The seven Catholic dioceses in Bavaria and the Protestant Regional Church in Bavaria report a combined total of DM 273,846,335 in state subsidies and public grants in their budgets. The Free State's budget, by contrast, lists DM 1,403,381,800 in state subsidies and grants. In other words, only 20 per cent of state grants appear in the budgets of the dioceses and the regional church, and more than one billion marks (DM 1,129,535,465) are 'missing' (in Bavaria alone). The revenue is held by the parishes and other legal entities.

Overview 26. State payments) in church budgets and payments from the Free State of Bavaria (in DM)*

State grants in church budgets:	
Protestant Regional Church in Bavaria	114,292,100
Seven Bavarian dioceses	159,554,235
Total	***273,846,335***
Payments from the budget of the Free State of Bavaria to the churches:	
- State grants	160,841,800
- Building costs	20,950,000
- Religious education	128,600,000
- Denominational schools	576,939,000
- Prison chaplaincy	750,000
- Heritage conservation	19,540,000
*Subtotal **)*	*907,620,800*
- Nurseries ***)	495,761,000
Total	***1,403,381,800***
Difference between budget figures and government figures	1,129,535,465

**) State payments (in the narrower sense) and compensation for staff salaries and pensions.*
***) In accordance with the overviews in the chapter 'State grants'*
****) Ten per cent of total payments in Germany.*

One cannot help but get the impression that the limited (but never disclosed) legal status is being used to make it more difficult for questioning members to leave the Church by emphasising the great importance of their church tax payments, particularly for charitable work, which after all benefits everyone.

Earlier (page 59) we had already listed the personnel costs of the Archdiocese of Cologne and noted that only 19.4 per cent of church staff are paid from church tax funds.

If they are 'full-time employees in church service', this means that the diocese itself is the 'employer'. Consequently, the balance of payments looks favourable. However, this would mean that all salaries and wages should also appear as expenditure for the diocese. This does not happen, however, as these personnel costs are paid directly to the various legal entities and are not refinanced.

This new key term 'reimbursement' means that, of the payments from public funds, only those personnel expenses are recorded which are first paid out directly by the diocese and then, in a second step, reimbursed to the diocese from public funds,
e.g. religious education teachers in church service, whose salaries the state then reimburses to the diocese based on 'secondment agreements'. Refinancing is therefore a 'zero-sum game', as the expenditure is covered by the revenue.

As the correct 'employer', however, the Archdiocese would have to include the total personnel costs of 'its employees' in the budget. As these personnel costs, paid for by others, amount to around 2.4 billion DM, the diocesan budget would total 3.7 billion DM, of which, however, the 'subsidies from public funds' would no longer amount to just 9.6 per cent, as has always been emphasised, but in reality to around 75 per cent, i.e. three-quarters of the diocesan budget's revenue.

If we now add together further payments from public funds (for example, subsidies for parish kindergartens, payments from state offices for the preservation of historic monuments for parish churches, subsidies for denominational academies, family education centres, etc., which are not formally run by the diocese but which any ordinary person recognises as church institutions), then the 'state share' of church budgets amounts to around 90 per cent – and this is the 'admission' that church officials apparently wish to avoid.

5.3. Parish budgets

In contrast to the budgets of the 51 regional denominational bodies, very little is known about the budgets of the approximately 31,000 parishes. The Diocese of Münster has published figures on this,[78] which are intended to serve as the basis for an extrapolation.

The 559 parishes in the part of the diocese belonging to North Rhine-Westphalia have a budget of 834 million marks, which amounts to an average of 1.492 million per parish. Extrapolated to the 31,329 parishes in Germany, this implies a total financial volume for German parishes of DM 46,742,868,000. Of this, around 46 per cent of the church tax revenue already recorded, which flows to the parishes, must be deducted again (./. DM 7,820,000,000), as must the subsidies from the federal states and local authorities for childcare centres (./. DM 4,957,610,000) must be deducted, resulting in a non-double-counted total of 34 billion (DM 33,965,258,000), comprising own revenue, interest, collections and further subsidies.

As a 'cross-check', let us consider as an example the budget of a Protestant parish in northern Germany, a 'dual parish' with two churches, around 5,000 members and a share of 23 percent of the population are Protestant.

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[78] "Church council budgets higher than the Vatican's budget" (text dated 6 November 2000) at: http://www.bistum-muenster.de/aktuelles/monatsarchiv

The budget of this parish has a total volume of around DM 2.4 million and it runs a nursery and a day-care centre.

Overview 27: Budget of a Protestant parish, 2001 – summaries by individual budget sections

Individual budgets	*Revenue*	*Expenditure*	*Balance*
General church services	136,200	870,500	*- 734,300*
Special church services	65,300	66,500	*- 1,200*
Church social work	1,288,700	1,303,500	*- 14,800*
General church tasks	0	1,300	*- 1,300*
Public relations	2,500	10,400	*- 7,900*
Education	0	800	*- 800*
Management, administration	500	51,600	*- 51,100*
General financial assets	172,000	77,100	*+ 94,900*
General financial management	716,500	0	*+ 716,500*
Totals	*2,381,700*	*2,381,700*	*0*

It is in the area of 'General Church Services' that staff costs have such a significant impact on the budget and can only be offset by levies and a withdrawal from reserves.

In this general area, the (united) parish employs two full-time pastors, one deacon, one verger and, on a part-time basis, two church musicians, two cleaners and one clerk. Calculated on a full-time basis, the parish costs (including the employer's share of social security contributions)(in) DM 140,000, a church musician DM 108,000, a deacon DM 105,000, a verger DM 73,500 and a cleaner DM 62,200.

What is noteworthy, however, is what appears only indirectly in this budget (as interest from financial investments and withdrawals from reserves). It is the parish's financial assets, which remain hidden in a separate statement, which is incomprehensible insofar as every parish must, after all, build up reserves. The reserve amount of 1.04 million, held in an account with a church bank, already gives a glimpse of what lies ahead (Chapter: Banks) and what we can expect there.

What is noteworthy here is that 'assets' are referred to only in terms of 'cash', and the parish's properties, which have a market value of around 2 million marks, are not mentioned as assets in any schedule or overview.

Overview 28. Assets of a Protestant parish

Financial investments with church financial institutions	1,037,003.55
Cash deposits with banks	580.88
Equity investments	4,508.32
External loans	3,376.04
Total financial assets	*1,045,468.77*
The total comprises working capital reserves for / from:	
- Church	2,049.20
- unrestricted	20,848.12
- Nursery	107,640.28
- Youth leisure centre	17,182.99
- Diaconal fund	15,608.16
- Parish retreats	1,482.77
- Bazaar proceeds	17,996.07
- Holiday camps	19,685.53
- Thursday group	2,513.05
- Music afternoons	4,700.00
- Special initiatives	24,443.59
- Cosmetic repairs, Property 1	4,362.12
- Cosmetic repairs, Property 2	7,887.39
- Cosmetic repairs, Property 3	4,382.04
- General equalisation reserve	537,144.70
- Building reserve, building allowances	247,277.54
- Cooperative share in the church bank	600.00
- Investments in Oikocredit	1,408.32
- Housing association	2,500.00
- Miscellaneous	5,756.90

Whether this 'concealment' of the financial position is merely a consequence of the logic of the income/surplus statement cannot be determined within the scope of this study.

5.4. Revenue and of needs

However, following this brief 'local' digression, let us return to the regional bodies and examine the various sources of income there in more detail.

The EKD's financial statistics from 1984 contain a detailed overview of revenue sources and the funding of tasks through earmarked revenue/grants, thereby highlighting the importance of church payroll tax for the various areas of denominational activity. It should be noted, however, that in the case of day-care centres, for example, investment costs (creation of fixed assets) are included.

In this overview, only church cemeteries are self-supporting, covering 99.8 per cent of their expenditure from their own income.

Within the EKD, all areas where less than 20 per cent of expenditure is covered by earmarked revenue would be particularly affected by a decline in church tax:

Overview 29: Revenue within the EKD by revenue / coverage of requirements / church taxes and areas of responsibility (in DM), 1984.

Revenue from **Expenditure on**: ..... *of which:*	*Total of revenue*	*Coverage of requirements*	*Supplement from church tax*	*Total expenditure*
General church services	**1,078,301,484**	**29.9%**	**2,524,309,273**	**3,602,610,757**
Church services	*171,803,558*	*37.9%*	*280,912,006*	*452,715,564*
Church music	*24,737,617*	*13.9%*	*153,783,470*	*178,521,087*
General parish work	*247,063,573*	*31.5%*	*536,672,590*	*783,736,163*
Church education	*118,602,199*	*56.0%*	*93,308,406*	*211,910,605*
Pastoral work	*274,811,539*	*18.9%*	*1,176,777,020*	*1,451,588,559*
Training for the ministry	*10,161,500*	*12.2%*	*73,471,713*	*83,633,213*
Sexton (sacristan) service	*5,553,696*	*2.6%*	*208,889,264*	*214,442,960*
Cemetery services	*225,567,799*	*99.8%*	*494,812*	*226,062,611*
Special church services	**157,972,120**	**33.9%**	**308,332,155**	**466,304,275**
Youth work	*107,349,074*	*38.2%*	*173,584,820*	*280,933,894*
Student support	*4,674,345*	*23.1%*	*15,602,583*	*20,276,928*
Men's/Women's work	*22,505,293*	*40.2%*	*33,497,614*	*56,002,907*
Pastoral care for the sick	*7,006,376*	*15.4%*	*38,421,672*	*45,428,048*
Telephone counselling	*1,363,108*	*21.3%*	*5,024,800*	*6,387,908*
Church social work	**1,402,985,658**	**67.5%**	**674,652,885**	**2,077,638,543**
General social work	88,173,723	29.9%	206,699,011	294,872,734
Childcare centres	857,682,177	76.3%	266,426,878	1,124,111,055
Counselling services	26,447,538	48.8%	27,736,131	54,183,669
Community nurses, ...	169,119,671	70.9%	69,331,656	238,451,327
Total church duties	**128,905,361**	**25.3%**	**380,090,680**	**508,996,041**
Development aid	58,395,724	33.7%	114,733,202	173,128,926
World mission	11,962,108	11.5%	91,847,137	103,809,245
Public relations	**9,083,082**	**10.6%**	**76,308,197**	**85,391,279**
Education and science	**129,864,061**	**46.6%**	**148,641,761**	**278,505,822**
Adult education	53,356,503	44.9%	65,598,836	118,955,339
Legislation, management, administration	**80,772,373**	**10.3%**	**702,131,708**	**782,904,081**
General financial assets	**701,947,458**	**+22.6%**	**0**	**572,769,153**
Parish assets	105,475,473	+71.4%	0	61,524,453
General finance	**5,877,631,477**	**+414%**	**0**	**1,143,645,297**
Total	9,567,463,074		4,814,466,659	9,518,765,248

Source: Dieter Rohde, 'Church Statistics', in: Church Yearbook for the E.K.D., 1987. Volume 3, p. 307 ff. (Author's own summary of the data contained therein.)

Of all areas, the following would be particularly affected, i.e. could no longer be financed in their current form, in ascending order of vulnerability: church music, the pastoral ministry, internal church training for the pastoral ministry, pastoral care for the sick and disabled, world mission, public relations, and, most severely (apart from the verger's duties): church leadership, administration and law-making.

In particular, the institution of church leadership, in other words: the clergy (with the exception of Catholic bishops, who are directly subsidised by the state) are 90 per cent dependent on church tax and so it is hardly surprising that they, of all people, emphasise the importance of and the church's (!) dependence on church tax.

It would probably be a lifelong task to try to gather all the information on the various parts of this church-finance puzzle – if it is even possible at all, for the bishops and the dioceses/regional churches have financial autonomy over their budgets and no one can compel them to say more than they themselves wish to. Although the two major established churches formally have the status of a 'body under public law', they are not legally obliged to publish their complete budgets, unlike, for example, the state itself or other bodies (broadcasting corporations, chambers of commerce and industry) which draw up and publish balance sheets.

And when they publish a **balance sheet**, it becomes clear what is *not* included in it. For example, the Regional Church in Württemberg publishes a balance sheet detailing its assets and, regarding the financial investments it reports at DM 330 million, states: "The outstanding claims against the Protestant Pension Fund in Darmstadt (ERK) as at 31 December 1998against the Protestant Pension Fund Darmstadt (ERK) were increased to almost 100% by tripling the regional church's stake and, in the interests of reducing the balance sheet total, are no longer reported, nor are the regional church's obligations towards members of the clergy, which were previously reported under provisions."[79]This 'reclassification' by the regional church alone represented a one-off payment of 1.193 billion, which will no longer be reported in future for the purpose of *'reducing the balance sheet*'.

Question: What else is not reported for the sake of 'balance sheet reduction'? With a tripling as a one-off payment, this implies a real pension fund in the region of 1.6 billion.

Furthermore, a precise distinction is made between the
'Regional Church in the narrower sense' and the 'Regional Church as a whole'. For assets in the form of real estate and land, the regional church in the narrower sense reports DM 312 million; for the regional church as a whole (including the foundations and the trust assets of the parishes), however, the figure is 928 million marks.[80] A difference of 616 million.

Thus, any statement must always take into account which organisation publishes – or does not publish – its figures for which area.

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[79] Protestant Regional Church in Württemberg: *Annual Report 2000*, p. 55.
[80] Protestant Regional Church in Württemberg: *Annual Report 2000*, pp. 54–57.

In this respect, the churches could be compared to a large merchant fleet comprising a multitude of ships of the most diverse kinds – both in size and function – and one might think that when speaking of the flagship, the entire fleet is thereby described.

In the following chapters, we shall therefore examine the other ships of the 'church fleet' in greater detail.

6. State subsidies

Religious and ideological communities as bodies under public law within the system of the Basic Law / Concordats and state church agreements / State waiver of revenue: State collection of church payroll tax / Church payroll taxes are special/ Tax exemption / Exemption from fees / Withholding tax on interest / 'mandatory services' provided by the state: Grants from federal states / Local authority grants / Building obligations / Religious education / Military chaplaincy / Institutional chaplaincy / Police chaplaincy / Denominational schools / Day-care centres / Cultural support / Overseas work / 'Voluntary' services provided by the state: Heritage conservation / Building grants / Church congresses / Court fines / Job creation schemes

The 'grants from third parties' under 'other income' of the religious societies primarily comprise state subsidies. Before we examine state payments, given that this situation affects every citizen, it seems appropriate to briefly review the current legal framework for these grants – particularly corporate status – and the historical origins of these payments.

Digression: Religious and ideological communities as **bodies under public law** within the system of the Basic Law

The legal significance of the corporate status to which the churches in particular are entitled is, in detail, a matter of controversy. (It was already so when the Weimar Constitution came into force in 1919 and represents the compromise, as was also the case in 1948 in the Parliamentary Council[81], between Christian-conservative views and the socialist demand: "Religion is a private matter".)

In any case, this status is a prerequisite for the membership contributions of church members to be collected in the form of a tax in accordance with state data and, where necessary, by means of state coercion.

According to the conventional definition, a KdöR (body under public law) is "an association of natural or legal persons created by an act of state authority on the basis of a law, which performs public tasks under state supervision without possessing the status of a state body. Public-law corporations may be territorial corporations (e.g. municipalities and municipal associations) or personnel corporations (e.g. chambers of industry and commerce, [...]). The sphere of activity of a territorial corporation is spatial,

[81] See Grundmann / Rust: Art. 140, in: *Commentary on the Bonn Basic Law* (Bonner Kommentar), 20th instalment, pp. 3–7.

that of a body constituted by persons is determined by the persons belonging to it (members)." [82]

Article 140 of the Basic Law guarantees the churches the status of public-law corporations. With this Article of the Basic Law, almost all the Weimar "church articles" were incorporated into the Basic Law as an integral part: "The provisions of Articles 136, 137, 138, 139 and 141 of the German Constitution of 11 August 1919 form part of this Basic Law."

Sentence 1 of Article 137(5) of the Weimar Constitution, thus 'incorporated' into the Basic Law, reads: 'Religious communities shall remain public-law corporations to the extent that they have been such hitherto.' According to sentence 2 of this provision, this status must also be granted to other religious and ideological communities under certain conditions.[83]

However, it is undisputed among legal experts that the churches are not one of the public-law corporations described at the outset (such as chambers of commerce, farmers' associations, etc.), as they possess a special privilege under Article 137(3): "Every religious community shall organise and administer its affairs independently within the law applicable to all. It appoints its officers without the involvement of the State or the local authority."

What the corporate status in the specific sense of Article 137(5) of the WRV and the right to self-determination mean in detail is a matter of dispute and ranks among the difficult questions of constitutional law relating to religion (an area of law traditionally, though misleadingly in terms of content, is referred to as 'state church law'). The legal interpretation is therefore of great significance, as many statutory provisions in various areas of law refer to this corporate character of the churches.

If one considers the religious law system of the Basic Law as a whole, it contains more elements that separate than those that unite the state and religion/worldview[84] and places 'religious societies' (to use the terminology of the Weimar Constitution) on a par with (non-religious

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[82] Beck, *Sachwörterbuch der Politik*, p. 454: 'Körperschaft'.

[83] See the dispute concerning the corporate status of the *Jehovah's Witnesses* before the Federal Constitutional Court, Federal Constitutional Court judgment of 19 December 2000.

[84] Gerhard Czermak: *State and Worldview,* A Selected Bibliography. With a treatise on the development and current state of so-called state church law, Berlin-Aschaffenburg: IBDK, 1993, 354 pages, and Volume 2 (1993–1997), Aschaffenburg: Alibri, 1999, 283 pages.
Bernd Jeand'Heur and Stefan Korioth: *Grundzüge des Staatskirchenrechts*, Stuttgart et al.: Boorberg, 2000, 291 pages.
Ludwig Renck, The Separation of Church and State, *BayVBl* (Bavarian Administrative Gazette) 1988, p. 225 ff.

ideological communities are formally placed on an equal footing (Art. 137(7) WRV; Art. 4(1) GG, etc.).

Although this principle of separation (main provision: Art. 137(1) WRV: 'There shall be no state church') is not consistently upheld (particularly in the case of the GG's provisions on school law and church tax), it is clearly reaffirmed by Art. 138 of the WRV, which mandatorily prescribes the replacement – i.e. termination – of all state subsidies (which are proven to have existed as early as 1919 [!]), a process that even after 80 years has only occurred in exceptional cases, and which, according to its wording and meaning, in no way permits the reintroduction of state subsidies. ("State subsidies to religious communities based on law, contract or special legal titles shall be abolished by state legislation. The state shall lay down the principles for this.")

The prevailing church-oriented legal view freely concludes that the reintroduction of state subsidies is permissible on the basis of the absence of a federal framework law and the protection of existing rights which, in its view, had hitherto been generally guaranteed. This turns the meaning of Article 138 of the WRV, i.e. the termination of state obligations to provide benefits, on its head[85], for Article 138 of the WRV consistently extends and reinforces the general (primarily organisational) principle of separation to the sector of property law.

The question of the extent to which claims for benefits demonstrably existing in 1919 but theoretically to be settled since then have not long since been settled in accordance with general legal principles is, wisely, generally not even raised in the first place.[86]

The principle of separation is closely linked to the principle of neutrality but is by no means identical to it. Without the institutional separation of state and religion, neutral conduct on the part of the state is indeed difficult to achieve; yet even with strict formal separation, the state may act in a manner contrary to neutrality when implementing support measures, and indeed it does so – unconstitutionally – on a constant basis.

The Federal Constitutional Court derives the principle of neutrality, in summary, from a whole range of constitutional provisions. In its words: "The Basic Law establishes, through Article 4(1) [freedom of religion], Article 3(3) [equality], Article 33(3) [civil rights] of the Basic Law, as well as through Article 136(1) [positive freedom of religion]

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[85] See also Martin Morlock, in: H. Dreier, *Grundgesetz, Volume III*, 2000, p. 1,352, marginal note 22 (with further references).

[86] On this point, however, see the very forceful argument by Ludwig Renck, in: *DÖV* (Die öffentliche Verwaltung) 2001, pp. 103–109, using the example of municipal church building obligation contracts.

and 4 [Negative freedom of religion] and Art. 137(1) [There is no state church] of the WRV in conjunction with Art. 140 of the Basic Law require the state, as the home of all citizens without distinction of person, to maintain ideological and religious neutrality. It prohibits the introduction of state church legal forms and also forbids the privileging of certain denominations."[87]

Under constitutional law, the principles of separation and neutrality, in particular the requirement of formal equal treatment of all religious and ideological associations, take precedence over any conflicting state or federal law pursuant to Article 31 of the Basic Law. Nevertheless, in the Federal Republic – particularly with the help of the State-Church Agreements, which are quite problematic from a constitutional and democratic perspective[88]– a network of legal relationships of a density unique worldwide has emerged, offering considerable advantages to the two major churches.

Let us now briefly consider the historical development.

Even though it may appear today as though the state and religious communities in Germany maintain a tolerant coexistence, this was by no means always the case – they were constantly rivals in the struggle for power. 'Do ut des' (I give so that you may give) is the compromise.

Whereas these compromises were once enforced in a rather belligerent manner, things have been proceeding in a formally more peaceful manner for some time now. People discuss claims to power and, in particular, property; they reach agreements, recognise one another and conclude treaties with one another.

6.1. Concordats and State-Church Treaties

A prime example of these concordats and church treaties is the 'Lateran Treaty' between the Vatican and the Italian state. In 1871, the Vatican lost its central Italian territories, and the Pope found himself residing, without any income of his own, in the small urban remnant of his former possessions, what is now the Vatican. In response, the Pope rejected the Italian Republic and forbade all Catholics in Italy from engaging in any political activity. His sole source of income was the 'Peter's Pence' (a collection from Catholics worldwide for the Pope, who had lost his benefices. 1998: DM 95 million[89]).

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[87] BVerfGE 19, 206, p. 216 (1965). Reiterated in the 'Crucifix Decision' (1995), in: BVerfGE 93, 1, p. 16 ff. – additions in brackets by the author.

[88] In detail with numerous references: Gerhard Czermak, The Legal Nature and Legitimacy of Agreements between the State and Religious Communities, in: *Der Staat*, 2000, pp. 69–85.

[89] Hamburger Abendblatt, 13 July 1999, p. 21: Vatican: Profits from stock market and property speculation.

After Mussolini came to power, he sought the Church's recognition of the Fascist state – so negotiations took place at the Lateran Palace, culminating in the signing of a treaty in 1929. Key points included mutual recognition as states, a state guarantee of the remaining and agreed-upon Church property in Italy, the granting of ecclesiastical rights in the practice of religion (which also included schools, marriage and divorce), and finally compensation payments from the state to the Church for the lost benefices of the past. (According to the exchange rate at the time: 92 million US dollars.[90])

"The Federal Republic, too, bears such an unloved legacy that one is reluctant to highlight – the Reich Concordat of 20 July 1933. The date says it all. Due to lack of space, it is not possible here to go into further detail as to the considerations of expediency that have led both sides to leave this Concordat in place to this day."[91]To (politely) gloss over this, the Church regularly refers to the Prussian Concordat of 1929.

But how, from the churches' perspective, are the mundane power of the world and the spiritual power of heaven to come to terms with one another otherwise? "In the New Testament, we search in vain for indications of an abstract or concrete regulation of the relationship between Church and State. [...] Since there is no solution to the Church-State relationship that is valid for all times and places, every generation must seek and find its own contemporary—and thus also time-bound—regulation."[92]

The current situation in Germany nevertheless has a long history and involves, for Catholics and Protestants alike, both a different starting point and a different development – even though almost identical regulations apply to both religious communities today.

Historically, after a period of close association, the **Catholic Church** maintained a considerable distance from the state and owned extensive estates (benefices). It financed its expenditure and outgoings from the income generated by these (through its own management and leasing) and from funds raised through internal church collections and 'generous donations'.

In 1803, the Imperial Deputation Main Resolution (RDH) of the Holy Roman Empire of the German Nation transferred the imperial-immediate Catholic church property that did not directly serve pastoral care back into state ownership ('secularisation' = secularisation).

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[90] Horst Herrmann: *Die Kirche und unser Geld*, p. 135.

[91] Knut Walf: Querelles allemandes?, in: Georg Denzler (ed.): *Kirche und Staat auf Distanz*, Munich: Kösel, 1977, p. 218.

[92] Editor's foreword, in: Georg Denzler (ed.): *Kirche und Staat auf Distanz*, p. 7.

However, reducing the RDH to the 'expropriation' of the Church is too one-sided, as the individual paragraphs were based on different intentions. Church property at the parish level remained guaranteed. This 'princely revolution' altered the territorial structure of the Empire by abolishing the ecclesiastical territories (including those of the prince-bishops) and transferring them to state territories. The land holdings of these ecclesiastical territories were considerably larger than necessary for pastoral care. The intention here was the 'defeudalisation of the Church', as the rich endowments of bishoprics, cathedral chapters and imperial abbeys formed the basis for the regular filling of all leading church offices with members of the Catholic aristocracy.[93]

Whether these constitutional changes are to be regarded as legal is a matter of legal tradition and conflicting interests. However, secularisation did not create free state property; rather, the state assumed the associated burdens: as compensation, the former owners received 'endowments', and although five forms of government have existed in Germany since 1803, these regulations still apply today.

The **Protestant tradition** is different, as there was no separation between the church and the Protestant state. The parish was simultaneously a state parish and was under the patronage of the sovereign, who was normally also the regional bishop.

The pastors had their benefices, toiled away in their gardens, and if the funds were insufficient, the state made up the shortfall. A three-way split became the norm: the pastors had to generate one-third themselves from their benefices, the second third came from parish donations and fees for official services, and the state paid the final third.

Because of this dependence, the Church always had to ask the state for permission if, for example, it wished to charge lower fees, as the state then had to make up the shortfall. When civil marriage became compulsory in the German Empire in February 1875, the number of church weddings immediately fell, and the pastors requested that the 'church fees' for weddings be abolished – which they were granted.

As this link between Christian church membership and civil rights loosened – a link that had previously been the reason and compulsion for many German Jews to be baptised (thus Harry Heine became Heinrich Heine) – and as the state gradually separated from the church, the basic pattern of the open and thoroughly demanding protestant hand: for example, there had hitherto been

[93] Ernst Rudolf Huber: *German Constitutional History since 1789.* Volume 1, pp. 52–53.

no church administration, and if the state now demanded that there should be a separate church administration (a requirement for orderly conditions and the use of funds), then it must also pay for it.

However, one must not think that the Protestant churches can help themselves as if in a self-service shop. It is more like the relationship between parents and children, when the children have left the family home or been shown the door and now think that the parents must still pay. A balance must then be struck – between the threat of funding cuts or even refusal to pay on the part of the parents and the threat of a loss of support from the children. And if that is not enough, one can always turn to the courts to enforce one's 'legitimate' claims, or at least try to do so.

Whilst the concordats are part of a long legal tradition, the agreements between the state and the Protestant churches only began with the abolition of the state church, when the relationship between state and church had to be contractually redefined.

These 'state church treaties' (they are still called this, even though there is no longer a state church. Only in the eastern federal states are they called 'state-church treaties') have the same structure throughout. This is illustrated by the 'Agreement between the State of Saxony-Anhalt and the Protestant Regional Churches in Saxony-Anhalt' of 15 September 1993, which was concluded in the wake of German 'reunification' (– as was subsequently the case in 1994 with Mecklenburg-Western Pomerania, Thuringia and Saxony, and in 1996 with Brandenburg.)[94]

Article 1: Freedom of religion and autonomy of the churches
Article 2: Cooperation between the state government and the churches Article 3: State-funded theological training
Article 4: Church-run higher education institutions (state-recognised) Article 5: Religious education as a regular school subject Article 6: Church-run schools (state-recognised)
Article 7: Protection of church property (and that of their institutions, foundations, associations and establishments)
Article 8: Churches and their associations are bodies under public law
Article 9: Guarantee of dedication and church buildings (transfer of ownership and regulation of building obligations)
Article 10: Preservation of historic monuments (appropriate consideration) Article 11: Right of patronage (to be abolished)

[94] See *the Ecclesiastical Yearbook* of the Protestant Church in Germany, 1994, p. 334 ff.

Article 12: Institutional pastoral care is promoted
Article 13: State funding: (1992) DM 25,750,000. If the remuneration of civil servants in the civil service changes...
Article 14: The Church may levy church tax and church contributions Article 15: Administration of church tax (tax offices; employers are required by law)
Article 16: Donations and collections are permitted Article 17: Exemption of churches from fees Article 18: Diakonie – entitlement to funding Article 19: Protection of public holidays
Article 20: Confidentiality of pastoral care is protected by the state Article 21: Church cemeteries enjoy state protection Article 22: Broadcasting – Adequate representation of the churches Article 23: Registration system – Transmission of state data Article 24: Ecclesiastical jurisdiction is permitted
Article 25: Parity
Article 26: Friendship clause between the state and the churches

The fact that these provisions primarily concern church rights and financial matters, and how this is formulated, is illustrated in full by the brief Article 25:

"Article 25: Parity. Should the State grant other comparable religious communities rights and benefits exceeding those provided for in this agreement, the contracting parties shall jointly examine whether amendments to this agreement are necessary on the basis of the principle of parity."

In other words: if the Catholic religious community negotiates more favourable terms, the Protestant regional churches will receive the same on a parity basis, and vice versa. For example, the Catholic Church, which only concluded a concordat with the State of Lower Saxony in 1965 (the Protestant Church had already concluded the 'Loccum Agreement' with the State in 1955), received a one-off additional state subsidy of DM 6,905,312 as 'parity compensation' for the years 1955 to 1965, during which it had received lower payments.

We shall now consider the further financial consequences of these unilateral contractual obligations on the part of the state.

First, therefore, the existing state 'mandatory payments' (based on the State Church Agreements, concordats, other legal agreements and laws) and then the 'voluntary' grants and payments.

6.2. State waiver of revenue

But before we look at what the state pays to the churches, let us first calculate what the state's waiver of revenue. 'Waiver' sounds rather passive, but the Federal Constitutional Court has explained precisely what the waiver of revenue and tax benefits for the churches entails:

"The term 'state subsidies' in Article 138 of the Weimar Constitution encompasses not only the monetary payments and benefits in kind with which the state contributes to the material and personal costs of religious communities. The purpose of Article 138 of the Weimar Constitution was to 'maintain the financial position of the Church [...] until the financial relationship between the state and the Church is reorganised'. [...] On the basis of this principle, the Reich Court recognised in several decisions the exemption of churches from various taxes as state benefits, on the grounds that tax exemption 'constituted a substantial part of the support which the state granted to the churches to meet their needs, and that, had it not existed, the state would have had to make corresponding payments to the church in its stead.'" [95]

Is there, apart from the adoption of regulations from the 'Weimar Republic', an explanation for this active state support for the churches?

If one considers the current situation in Germany, the state subsidies and "one asks about the causes of such obvious favouritism towards Christian and ecclesiastical positions, then they stand in striking disproportion to the actual substance of church life and the Christian faith. In any case, observations and experiences from church practice clearly indicate that the participation of church members in parish life has become strikingly low and stands in inverse proportion to the church's claim to public prominence. If, nevertheless, the churches have been able to attain such a high public standing, it is probably primarily because no adequate counter-positions have been able to develop in opposition to them. Thus, secular, particularist society found itself in the predicament of needing shared values, yet finding few alternative options to offer."[96]

There is nothing to add to this description from 1977—that is, almost twenty-five years ago—as little has changed since then. The fact that the values of humanism and the Enlightenment have not yet been able to gain a foothold in the 'Rhenish-Christian' Federal Republic has so far failed to gain acceptance is another (political) matter altogether.

Let us therefore examine these benefits or privileges in detail and attempt to determine their monetary value.

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[95] BVerfGE 19, 1 (Religious Communities), p. 13

[96] Eberhard Stemmler: The Protestant Church and the State in the Federal Republic of Germany, in: Georg Denzler (ed.): *Church and State at a Distance*, Munich, 1977, p. 132

6.2.1. State collection of the church tax

For the collection of church tax on income, the state tax authorities receive, depending on the federal state, a reimbursement of 2 to 4 per cent of the church tax revenue. From the Protestant regional church in Bavaria, however, only 1.5 per cent, as it collects its church tax on income tax through its own church tax offices.

For 1997, this amounted to a total of around DM 700 million nationwide. An amount and percentage which, since revenue from church payroll tax has been falling, has been criticised by the church as too high.

The churches' financial directors argue that this percentage was agreed upon when the state tax authorities still operated in a time-consuming and labour-intensive 'manual' manner, whereas today, using electronic data processing, they work much faster and are therefore cheaper. In the negotiations currently underway, a figure of 1.5 per cent is being targeted.

The financial problem facing the denominational tax associations in this context is that, despite existing discussions about 'freeing' themselves from the state collection of church tax, they have so far always refrained from doing so because the church-organised collection of church payroll taxes – for which the state would have to provide the civil tax registers – would consume 8 to 12 per cent of church payroll tax revenue (EKD estimate: 15% [97]). For 1999, the churches would therefore have to set aside around 2 billion to collect their church taxes through their own staff and offices. The fact that they do not do so is praised internally by church economists: "The churches thereby spare themselves (and thus all their members) an immense administrative burden. A far greater proportion of the church tax revenue can thus be channelled into the purposes for which this levy is raised, rather than being siphoned off into an unnecessarily bloated church financial administration."[98]

From this perspective, the state provides a monetary benefit of around DM 2 billion to the churches, of which they need only reimburse 700 million. The federal states would therefore be well advised to increase their administrative share (as half of the 'losses from exclusive rights') to between 4 and 8 per cent. However, they do not do so. Consequently, the churches receive a monetary benefit from the state amounting to DM 1.3 billion in reduced expenditure.

This fails to take into account that German **employers** calculate, withhold and pay income tax, thereby providing a free service to the churches.

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[97] EKD text: *Church Tax*, Section 3.5.9: Involvement of the tax authorities.

[98] Meuthen, The Suitability of Church Tax as a Source of Revenue for Religious Communities, in: Ockenfels/Kettern (eds.), *The Church Tax Controversy*, p. 154.

At least, that was the view of one employer who, as a non-denominational person, did not wish to provide this free service for the Church. The Federal Constitutional Court itself then told him what the separation of church and state means: "Since the state has undertaken to cooperate with the church in collecting church tax from wages and income, the employer is merely fulfilling a duty owed to the state by collecting it."[99]

If, for this "duty owed to the state" on the part of employers in calculating and remitting church payroll tax, we apply only the same amount that the state tax offices receive for the simple transfer of incoming payments (700 million), the result is: state subsidisation of the churches through the collection of church payroll tax: DM 2 billion.

6.2.2. Church taxes are special expenses

In the calculation of wage and income tax, church taxes are *fully* deductible from taxable wages/income as special expenses. (EStG § 10 I, 4.)

This is unusual, as, for example, other expenses incurred by taxpayers (maintenance payments, vocational training, pension contributions) are only deductible as special expenses up to a limited amount. By treating such expenses as special expenses, political objectives are promoted, e.g. the education and further training of individuals, better provision for old age, etc.

A further contradiction in the full deduction of church payroll tax as special expenses lies in the fact that supreme court rulings assume – contrary to the facts – that virtually all German citizens are members of a church. However: if all citizens were to incur these expenses, would they still be considered special expenses in this sense? No.

The Archdiocese of Cologne has posted a 'church tax calculator' online[100] and anyone interested can enter their taxable annual income to have their income tax and church tax calculated. The figures are then given in two ways: a single person with a taxable annual income of DM 50,000 receives the following information: 'Your church tax amounts to DM 954 (that is 9% of your income

[99] Federal Constitutional Court KirchE 16, 75, 77 and Bavarian Constitutional Court KirchE 2, 245, 252. Quoted from: Hans-Martin Niemeier: The case law of state courts in church tax matters in the Federal Republic of Germany, in: Lienemann, Wolfgang (ed.), *Die Finanzen der Kirche*, Munich, 1989, p. 223.

[100] http://www.kirchensteuer-koeln.de/rechner

tax). Your actual tax liability amounts to DM 648. (Church tax is one of the deductible special expenses that reduce your tax burden.)"

We do not wish to pursue this line of argument further at present, but simply to establish the loss of revenue incurred by the state because of this tax-deductible 'special expenditure'. It amounts to DM 6.8 billion (in 2000).[101] (2.9 billion (= 42%) borne by the federal government and 3.9 billion (= 58%) borne by the Länder and local authorities.

And it is very strange what is explained in the subsidy report on this matter: "Date of introduction and objective. 1922/1948: Favourable treatment of recognised religious societies and religious communities treated as equivalent to them, based on ecclesiastical and socio-political considerations. Duration: indefinite. Opinion: The grounds for this continue to exist. Moreover, a restriction would not be sensible, as church tax would in any case have to be treated in the same way as donations."

The view that the state subsidises the church in this way is also supported by the arguments put forward by the churches, which consistently emphasise that church income tax would lead to people leaving the church. Accordingly, the churches attempt to counteract intentions to leave the church by stating: "Anyone who leaves the church must therefore pay more income tax, in line with their respective tax rate, due to the loss of church tax."[102]

This is half right and half wrong. This is illustrated by the example of the average income (in 2000) in Germany: employee, unmarried, no children:

Table 30: Calculation example of taxable income

	Church member	None
Gross wages (DM)	**49,650**	**49,650**
./. Employee allowance	2,000	2,000
./. Pension expenses	3,888	3,888
./. Church tax	674	
./. Special expenses allowance		108
Taxable income	43,088	43,654
./. Tax according to the basic table	8,232	8,421

[101] German Bundestag, 14th legislative period, *Printed Paper 14/1500*: "Report by the Federal Government on the Development of Federal Financial Assistance and Tax Concessions pursuant to Section 12 of the Act on the Promotion of Economic Stability and Growth (StWG)" of 8 June 1967 for the years 1997 to 2000 *(17th Subsidy Report)*, p. 194.

[102] According to Protestant Church in Berlin-Brandenburg, see: http://www.ekibb.com/info/steuer/index.htm

It is true that the amount of state income tax payable increases if church tax cannot be deducted as a special expense. It is not true, however, that income tax increases by more than the amount of the church tax that is no longer payable. In our example, the non-denominational income tax payer ultimately has DM 367 more per year at their disposal – a monthly amount of DM 30.58 – which shows that the actual financial saving is negligible and certainly cannot be the decisive reason for leaving the respective denominational tax association (= the church).

6.2.3. Tax exemption

Corporation tax

Corporation Tax Act of 31 August 1976, Section 5, Paragraph 1, Point 9: "Corporations, associations of persons and estates which, according to their statutes, foundation deeds or other constitutive documents and in accordance with their actual management, serve exclusively and directly charitable, benevolent or ecclesiastical purposes are exempt from corporation tax (Sections 51–68 of the Tax Code). If an economic business operation is maintained, the tax exemption is excluded in this respect."

The exemption from corporation tax thus explains a number of things:

1. Why the churches have used any additional revenue from church tax to expand their activities – they are not permitted to make a profit – and have thereby, amongst other things, created the problem of high staff costs that can no longer be financed as revenue declines.
2. Why church-run enterprises and institutions that "serve a sustainable economic activity" are immediately (or at the latest when it becomes public knowledge) spun off from *the church*.
3. Why the churches *must* use one of the tax-privileged terms 'non-profit', 'charitable' or 'ecclesiastical' for each of their activities.

What is this exemption from corporation tax actually worth in monetary terms? Nothing, because the churches do not generate any reported profit. The cash deposits held by church banks are permitted reserves.

However, if we were to assume that membership fees were taxable, this would have entailed a value added tax of DM 2.3 billion on the 17 billion in church tax revenue in 1999, which the state foregoes through the tax exemption.

Wealth Tax

Wealth Tax Act § 3(1)4: "The following are exempt from wealth tax: Institutions directly serving the purposes of teaching, upbringing and education, physical training, healthcare, health promotion, welfare and youth care, irrespective of their legal form, provided they belong to a) the Federal Government, a Land, [...], b) religious communities that are bodies under public law, as well as their institutions."

But this is not relevant at present, as wealth tax is not currently levied in Germany. And should some 'socialist redistributor' ever propose the reintroduction of this tax, the churches and their institutions, associations and organisations (regardless of their legal form) will not be affected by it.

Property Tax

Property Tax Act § 3 (1): "The following are exempt from property tax: [...] 4. Real estate used by a religious community that is a public-law corporation, one of its orders, one of its religious societies or one of its associations for the purposes of religious instruction, teaching, education or for the purposes of its own administration."

§ 3 (1) 5: "The following are exempt from property tax: service properties and service accommodation of clergy and church officials of religious communities that are public-law corporations."

§ 5 (1) Where property used for tax-privileged purposes also serves residential purposes, the exemption applies only to 1. communal accommodation of the Bundeswehr, [...]. 2. residential accommodation in student halls of residence, training and educational homes, and seminaries for preachers and priests [...]. § 5 (2) "Dwellings are always subject to tax, even if the conditions of paragraph 1 are met." Unless it is the official residence of a church minister of a religious community that is a public-law corporation (§ 3,5). Also tax-exempt.

6.2.4. Exemption from fees

In a constitutional state, fees must be paid to state authorities: for certifications, official acts, and so on. Religious bodies do not pay any of these.

The State Church Agreements and Concordats state: "Upon the entry into force of this Agreement, the State shall extend the fee exemptions based on State law for the State to the churches, their parishes and branches, as well as

their public-law institutions, foundations and associations."[103] The monetary value of this exemption is difficult to determine or even estimate.

6.2.5. Withholding tax on interest / Capital gains tax

Whilst the state has the criminal investigation department and tax investigators look into illegal transfers of (interest-bearing) funds abroad by companies, banks and private individuals, 'capital loopholes' are uncovered and charges of tax evasion are brought, the churches and their associations have no reason to carry their money in suitcases to Luxembourg, Monaco or the Channel Islands – the interest on their capital assets also remains tax-free.

6.2.6. Conclusion

The amount the state forgoes in terms of the churches' tax exemption can be roughly quantified (in anticipation of later calculations).

Overview 31: Value of the churches' tax exemption

VAT on church tax 1999 =		2,337,165,367
Property tax: 717,364 hectares x DM 100/ha =		71,736,400
Home ownership: 110 billion =	not currently levied	
Capital assets: (150 billion) =	not currently levied	
Withholding tax on interest: (Interest income (1993): = 5.1 billion) x 30% =		1,530,000,000
x (remaining) capital gains tax (23%)		1,173,000,000
+ Solidarity surcharge (3%)		153,000,000
State revenue foregone due to tax exemption for churches DM 5,264,901,767		

In total, the state thus forgoes revenue – through the state collection of church payroll tax and the deduction of church tax as a special expense (8.8 billion) and the loss of tax revenue (5.2 billion) – amounting to a total of DM 14 billion. Further tax concessions are dealt with in the relevant sections.

Let us now turn to the 'positive' state subsidies. First, the existing state 'mandatory payments' (based on the State Church Agreements, concordats and other older legal agreements) and then the 'voluntary' grants and payments.

[103] Agreement between the State of Saxony-Anhalt and the Protestant Regional Churches in Saxony-Anhalt, Article 17, in: *Church Yearbook for the Protestant Church in Germany*, 1994, p. 341.

6.3. State 'mandatory benefits'

Article 138(1) of the Weimar Constitution of 1919 (incorporated into Article 140 of the Basic Law) already stated: 'Those based on law, contract or State subsidies to religious communities based on specific legal titles shall be replaced by state legislation. The principles for this shall be laid down by the Reich."

The fact that this constitutional mandate has not been complied with for 82 years now – and would probably not find a political majority at present either – is one thing. Another matter is the question of what this replacement would 'cost', which, according to Article 18 of the Reich Concordat of 1933, could only be brought about by 'amicable agreement [between the State and the Catholic Church]'.

6.3.1. Salaries of bishops, clergy and material requirements

For centuries, the core of these payments has been the legally binding subsidies for the salaries of clergy and (Catholic) bishops, etc. – the 'legacy liabilities', so to speak. In the Federal Republic, the churches are classified as cultural institutions, and since the federal states hold cultural sovereignty within Germany's federal structure, these payments are based on agreements between the religious communities and the federal states, in which the old rights are continued and expanded. And yet – as a historical aside – it should not go unmentioned that for decades there have been payments from the federal government to the churches.

(Former) federal grants and subsidies

Until 1993, grants and endowments were paid to the churches from the budget of the Federal Ministry of the Interior; these had risen to a peak of 40 million marks in 1980 and then fell to 17 million by 1993. The endowments related to the former German episcopal administrations and Protestant regional churches beyond the Oder and Neisse rivers, which had fled after the war and had, so to speak, settled 'in exile' in the Federal Republic.

Table 32: Former annual state payments / grants from the Federal Government to the churches (DM)

Year	*Grants*)*	*Endowments**)*	*Total .*
1966	15,349,000	775,000	16,124,000
1967	16,350,000	820,000	17,170,000
1968	20,000,000	820,000	20,820,000
1978	29,712,000	1,064,000	30,776,000
1979	37,065,000	989,000	38,054,000
1980	38,732,000	901,000	39,633,000
1984	37,450,000	744,000	38,194,000
1985	36,000,000	704,000	36,704,000
1986	36,000,000	824,000	36,824,000
1991	29,500,000	954,000	30,454,000
1992	29,000,000	987,000	29,987,000

Source: Federal Budget Plans, Section 06: Federal Ministry of the Interior, Chapter 0602: General Appropriations. / 'Allocations' since 1986 in Chapter 0640: Appropriations for displaced persons, refugees and war victims

*) *"Grant to the Protestant and Catholic Churches for the support of displaced persons and other displaced clergy, church officials and employees, as well as their surviving dependants."*
Explanation: "The Federal Government has agreed with the Protestant Church and the Catholic Church, as well as with Free Churches that were public-law corporations on 8 May 1945, that these shall regulate the provision of support for displaced persons and other displaced clergy, church officials (including forestry officials) church employees and their surviving dependants. The Federal Government grants a subsidy towards the costs of provision, which the churches must use in full for the provision of the specified group of persons."
Since 1984: Explanatory note: "[...] *The grant ceases at the end of 1993 in accordance with the lump-sum agreements concluded with the churches."*
***) Federal grants for the episcopal administrations of the former East German dioceses located in the Federal Republic of Germany on the other side of the Oder and Neisse rivers, as well as for ecclesiastical administrative purposes of the Protestant Church of the Union for the aforementioned area.*
Explanation: "[...] *Endowment payments under the Prussian Concordat of 1929* [...] *and under the Church Agreement between the Free State of Prussia and the Protestant Regional Churches in Prussia of 1931* [...]*."*

The subsidies were based on post-war agreements with the churches, which were public-law bodies on 8 May 1945 (surrender of the German Reich), and which regulated the provision of support for clergy and church staff displaced from their homes. In 1984, it was agreed to end these payments in 1993 (48 years after the end of the war). Following the transfer of cultural affairs from the Ministry of the Interior to the Federal Chancellery, since 1999 the budget of the Federal Ministry of the Interior has only covered subsidies for the Church Congresses and pastoral care for the Federal Border Guard (see *Police Chaplaincy*). Payments from federal funds of other ministries are taken into account under the relevant headings (e.g. study grants from the Federal Ministry of Education, Science and Research for the *training of young professionals*).

Grants from the federal states

The standard wording in the State Church Agreements and Concordats is largely uniform: "The State shall pay to the churches in the State [...] a total grant (state subsidy) in lieu of previously granted endowments for ecclesiastical administrative purposes and subsidies, for the purposes of parochial salaries and pensions, as well as other payments based on older legal titles." This is the case in the Treaty with Saxony-Anhalt, Art. 13.

This is the legal basis in the State Church Agreements, followed by the year and the exact sum. This is followed by the adjustment clause – not vaguely friendly, but very precise: "If, in the subsequent period, the remuneration of civil servants in the civil service changes, the state subsidy shall change on the basis of the amount agreed for the year (…) amount. The basis shall be the entry-level post for the higher non-technical general administrative service, salary grade A 13 of the Federal Salary Scale, 7th seniority step, two children." ("A 13" is the pay grade for secondary school teachers, administrative officers, criminal investigators, etc.). Whilst the social partners have to haggle over civil service pay in the negotiations, the churches can calmly await the outcome and calculate the amount by which the state subsidy for the churches will increase.

In line with their state-recognised 'market share', the two major established churches in Saarland, for example, receive around 82 per cent (DM 1,270,000) of state subsidies for religious communities.

Overview 33: Subsidies from the Saarland to churches (2001)

Title	*Purpose*	*DM*
684 31	Salaries and grants to the Protestant churches	126,000
684 33	Needs-based supplements to parishes of the Independent Protestant-Lutheran Church for the remuneration of their clergy	147,000
684 33	Salaries and grants to the Catholic Church	242,000
684 36	Grants for the maintenance of the Bishop's See in Trier	755,000
684 37	Needs-based subsidies for parish salaries [...] of the Old Catholic Church	86,000
684 38	Grants to the synagogue community in Saarbrücken	200,000
Total expenditure		1,556,000

Source: Saarland Budget, Financial Year 2001, Chapter 06 34, p. 346.

However, the list of state grants in the Trier diocesan budget only includes grants for the Catholic Church, as the income of the Bishop's See (DM 755,000) does not form part of the diocesan budget.

Overview 34: Saarland, grants: Catholic Church / Bishop's See (2001)

Title 684 34 (to the Catholic Church)	
- State salaries for priests in the the area west of the Rhine	132,000
- Endowment grants to assistant clergy in the former Palatinate part of the Saarland	12,000
- Subsidy towards the assistant priest's salary for the pastoral care of the parish of Biringen-Oberesch	2,900
- Retirement provision for clergy in the Palatinate part of the Saarland	42,000

- Subsidy towards the salary of the Caritas priest	53,100
Subtotal (1)	*242,000*
Title 684 36 (Bishop's See)	.
- Operating grant	95,000
- Staff allocation	660,000
Subtotal (2)	*755,000*
Total	997,000

According to the wording of the state budget, the bishop is therefore not part of the Catholic Church. Nor will the other state payments to the parishes and for the Caritas priest appear in the diocesan budget.

By way of example, the state of Rhineland-Palatinate lists the legal bases for state payments to the Catholic Church:[104]

"Legal bases: Prussian Concordat of 14 June 1929, French Concordat of 15 July 1801, foundation deeds of the Grand Duke of Hesse dated 26 August 1820 and 12 October 1829, Bavarian Concordat of 29 March 1924, fixed payments under the French Concordat of 15 July 1801 (so-called Napoleonic state salaries) and fixed state payments to individual parishes and parochial offices based on specific legal titles (so-called cadastral subsidies)."

The legal basis ("older legal titles") therefore dates back even further than just to the secularisation of 1803.

The following state payments/endowments comprise *only* those payments based on such "older legal titles" and concordats/state-church agreements.

Overview 35: Annual state subsidies / endowments of the German federal states (DM)

State	*Year*	*Protestant*	*Catholics.*	*Total*	*%*
Baden-Württemberg	2000	93,139,000	92,645,900	185,784,900	*22.9*
Bavaria	2000	39,479,800	121,362,000	160,841,800	*19.8*
Berlin	2000	16,934,000	5,589,000	22,523,000	*2.8*
Brandenburg	2000	17,000,000	1,800,000	18,800,000	*2.3*
Bremen *)	2000	0	0	0	*0*
Hamburg *)	2000	0	0	0	*0*
Hesse	2000	54,662,400	22,168,900	76,831,300	*9.5*
Mecklenburg-Western Pomerania	2000	15,950,000	1,332,600	17,282,600	*2.1*
Lower Saxony	2000	57,276,600	14,370,600	71,647,200	*8.8*
North Rhine-Westphalia	2000	15,480,000	23,473,000	38,953,000	*4.8*
Rhineland-Palatinate	2000	37,408,000	47,416,800	84,824,800	*10.4*

[104] Rhineland-Palatinate: *Budget 2000/2001*, Ministry of Culture, Youth, Family and Women, Title 09 50: Churches, p. 148.

Saarland	2000	268,000	979,500	1,247,500	*0.2*
Saxony	2000	31,000,000 **)		31,000,000	*3.8*
Saxony-Anhalt	2000	35,716,400	9,353,000	45,069,400	*5.6*
Schleswig-Holstein	2000	21,146,000	371,000	21,517,000	*2.7*
Thuringia	2000	35,468,000		35,468,000	*4.4*
Totals		*404,460,200*	*340,862,300*		
plus flat-rate figures		*66,468,000*			
*split 80 : 20 ***)*		*53,174,000*	*13,294,000*		
Total		***811,790,500***		*811,790,500*	*100.1*
In the sectors:		*457,634,200*	*354,156,300*		
Percentage of total		*56%*	*44%*		

Sources: Budget plans of the individual federal states

**) The federal states of Bremen and Hamburg do not enter into state church agreements with religious communities that oblige them to make regular lump-sum payments.*
The 'replacement' of state subsidies (through the transfer of land) that took place in Hamburg in 1965 concerned only the formerly Prussian districts that had been incorporated into the city area under the 'Greater Hamburg Act' of 1937.

***) Saxony reports only a lump sum of DM 34 million for all religious communities, including the Jewish communities. Around DM 3 million was deducted from this.*

****) Average ratio for the eastern federal states.*

In total, the federal states paid around 812 million (DM 811,790,500) in state subsidies to the two major religious communities (for the year 2000). The budget estimates correspond to the actual payments, as these payments are not subject to 're-calculation'.

The Protestant sector has (despite having fewer members overall) the higher income (DM 458 million compared to the Catholic sector's 354 million), as Catholic believers are 'concentrated' in fewer federal states than Protestant church members.

The highest contributions come from the federal states of Baden-Württemberg (DM 186 million) and the Free State of Bavaria (DM 161 million). These two federal states are home to 13.3 million (= 33.2 per cent) of the church members of both denominations, yet they pay 42.7 per cent of all state subsidies. Although there are only three regional churches there, there are nonetheless seven dioceses and seven (arch)bishops' sees to be provided with funding.

Also noteworthy are the federal states of Bremen and Hamburg, which do not pay any such state subsidies at all, as, in keeping with Hanseatic tradition, they do not conclude any state church treaties or concordats. There, the parties sit down together on a case-by-case basis and resolve pending issues pragmatically.

The breakdown of these state grants can also be illustrated using the example of the federal state of Bavaria.

Overview 36: State subsidies from the state of Bavaria to the Catholic Church (2000)

- Annual pensions for 7 bishops/archbishops	1,267,000
- Salary supplements for 12 auxiliary bishops	194,000
- Annual pensions for 14 dignitaries	1,726,000
- Annual pensions for the 60 canons	7,252,000
- Annual pensions of the 42 cathedral vicars	3,571,000
- Service allowances for 7 vicars-general	48,000
- Allowances for 7 episcopal secretaries	113,000
- Supplementary income for the 7 Ordinariate officials	288,000
- Income supplements for the 7 sacristans at cathedral churches	299,000
- Supplementary income for the 15 heads and 33 teachers at the episcopal seminaries for priests and boys	1,365,000
- Payments to parish priests, preachers and beneficiaries	1,169,000
- Payments to other church ministers	30,000
- Grants to retirement homes	18,111,000
- Support for clergy without retirement pensions	4,244,000
- Subsidy towards the remuneration of pastoral clergy	78,200,000
- Contributions towards the material requirements of the Ordinariates	650,000
- Contributions towards the material needs of the cathedral churches	2,150,000
- Contributions towards the maintenance of the episcopal seminaries for priests and boys	320,000
- Statutory contributions to church foundations	3,000
- Contributions towards the material needs of the churches	82,000
- Special items (organs, bells, clocks, etc.)	280,000
Total	*121,362,000*

Source: Free State of Bavaria, 'Budget 2000', Section 05, Chapter 05 50, p. 236 ff.

In 2000, Bavaria paid DM 121 million in state subsidies to the Catholic dioceses in Bavaria. Among other things, this covered the annual pensions for 7 bishops/archbishops, salary supplements for 12 auxiliary bishops, annual pensions for 14 dignitaries, 60 canons and 42 cathedral vicars, allowances for 7 vicars-general and 7 episcopal secretaries, supplementary income for the 7 ordinariate officials, the 7 sacristans at cathedral churches, and the 15 heads and 33 educators at the episcopal seminaries for priests and boys, etc., etc.

How, then, is the largest single sum (DM 78 million in subsidies for the salaries of pastoral clergy) calculated?

In Bavaria, funding is calculated on a per capita basis for all religious communities. In 1997, the figure was DM 9.62, in 1998 DM 9.89, in 1999 DM 9.81 and in 2000 DM 9.97 per member of the denomination.[105] The same applies in the Free State of Bavaria to the Protestant Regional Church, whose DM 39 million in subsidies are allocated according to the same logic for church administration and the remuneration of clergy.

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[105] Free State of Bavaria *Budget* 2000, Section 05, Chapter 05 50.

Overview 37: State subsidies from the Federal State of Bavaria to the Protestant Regional Church in Bavaria (2000)

- Staff costs of the Regional Church Council (lump sum)	2,891,000
- Pensions for church officials of the Regional Church Council 578,000	
- Payments to pastors, preachers and vicars	229,000
- Benefits for church sextons	1,800
- Subsidy towards the remuneration of pastoral ministers	27,700,000
- Subsidy for the pension and survivors' for pastoral clergy	7,660,000
- Contribution towards the costs of the Regional Synod	20,000
- Operational requirements of the Regional Church Council (lump sum)	220,000
- Miscellaneous (organs, bells, clocks, etc.)	180,000
Total	*39,479,800*

Source: Free State of Bavaria 'Budget 2000', Section 05, Chapter 05 50, p. 240 ff.

This calculation is carried out differently in Schleswig-Holstein. In 2000, the North Elbian Protestant Lutheran Church, Schleswig-Holstein branch, received DM 2.9 million on the basis of the agreement of 23 April 1957, "plus, on the basis of the indexation clause in the church agreement to bring it into line with the current salaries of state civil servants, DM 18,246,000."[106] The base amount of DM 2.9 million has since risen to DM 21.2 million as a result of the indexation clause.

However, it must be added that it is not only the two major established churches that receive these grants, but also, "for reasons of parity", the Old Catholics, the Jewish communities, free Protestant communities and other 'ideological communities' – including, for example, in Bavaria, the *League for Freedom of Thought* (a public-law corporation since 1925).

So if you see a bishop's mass on television, be glad – whether you are a member of the church or not. You have paid for it with your tax money too. And if a priest smiles at you, even if you are not in church: he just wants to thank you for the fact that every taxpayer contributes a small part to his salary.

Local government grants

According to the official responsible for church affairs in a state chancellery, it has so far been an insurmountable task (although there is interest) to record all endowments, grants, preferential gifts, monetary benefits, etc., which the churches in the federal state receive at local authority level, as they are paid from a wide variety of budgets.

For example, at the instigation of the City of Mainz in August 2000, three signs were erected on the A60 and A63 motorways on the Mainz Cathedral,

[106] *State Budget of Schleswig-Holstein*, Financial Year 2000. Section 07 02.

a total of 16,000 marks was paid from the Hessian economic/transport budget[107].

In connection with this example, there is another area worth mentioning, which I happened to learn about from a campsite owner. For the small sign (on the main road) pointing to his campsite, the relevant authority charges 4,000 DM annually for production, installation, cleaning and any replacement in the event of damage. The same approach is likely to apply to the signs indicating local churches and their service times. If we now assume that, of the approximately 14,000 German municipalities, 10,000 have erected these signs at both entrances to the town for both religious communities, this amounts to an expenditure of around 160,000,000 marks in monetary terms for the churches.

However, the estimate of DM 5 billion[108]in municipal subsidies put forward by critics of the church appears problematic. This figure should therefore be treated with caution, as no evidence is provided for it and it presumably encompasses all municipal payments (monument preservation, libraries, nurseries, etc.), which would mean double counting.

This figure of 5 billion marks would, relative to the tax revenue of German municipalities (in 1998) (DM 117.3 billion[109]), represent a share of 4.3 per cent or, relative to the approximately 14,000 municipalities, an average payment of DM 357,000 per municipality. At first glance, this does not seem unrealistic, as 'the churches' and their affiliated political representatives are directly represented in local councils, and the local vicar can bring his concerns to the mayor's attention more directly than a bishop can to a minister-president. However, this assumption is not borne out by the reality of local council meetings, where every expenditure is fiercely contested. There are, however, a number of examples of such payments.

The only reliable figures were available from the Federal Statistical Office.[110] According to these, municipalities and municipal associations across the whole of Germany – that is, all municipalities and towns, but excluding the three city-states of Hamburg, Bremen and Berlin – paid a total of around 98 million (DM 97,856,000) to the churches in 1998.

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[107] http://ww.kath.de/bistum/Mainz. Diocesan News No. 25 of 9 August 2000

[108] Rampp, *Church and Money*, p. 43.

[109] See 'Tax revenue of the federal government, Länder and municipalities, and EC shares', figures for 1998, in: *Der Fischer Weltalmanach 2000*, pp. 253–254. Calculation of the reported municipal taxes and the proportionate percentages of federal taxes.

[110] Federal Statistical Office, *Specialist Series 14, Series 3.3.* (1998)

This figure includes the combined item 3700 of the local government budget classification "Church Affairs" and refers exclusively to endowments that directly benefit the churches. For example, the City of Frankfurt am Main (1999) pays from this budget heading "Payments arising from endowment deeds of December 1829 and January 1830 with the Catholic parish and the Protestant-Lutheran parish, contracts, patronages, etc."[111] in the total amount of DM 2,023,400. Specifically, the following are paid for: street cleaning and refuse collection, electricity consumption, retirement pensions and cultural expenses, subsidies for the Kolping House and half of the staff and material costs of the Cathedral Treasury, as well as the restoration of church windows. In return, however, the City of Frankfurt owns 24.5 hectares of vineyards, having taken over the vineyards of the Carmelite and Dominican monasteries in 1803.[112] Stuttgart paid (also in 1999 from this budget heading) not only a one-off sum of DM 4,334,200 for the Protestant Church Congress, but also DM 306,000 for the maintenance of church clocks and church towers.[113] The City of Mainz paid (in 1998) a lump sum of DM 1,800,000 for church-related matters.

To avoid double counting, we shall stick to the figure of 98 million in direct municipal endowment payments.

6.3.2. Building costs

Under the historical patronage system – where the ruler was the patron/regional bishop of the church – the patron (i.e. the state) also ensured the maintenance of church buildings, meaning, among other things, that it bore the building costs.

In the State Church Agreements, two contradictory arguments now occur simultaneously: on the one hand, it is agreed that the state
"in lieu of all monetary and in-kind contributions arising from state building maintenance obligations on buildings owned by the church" must now pay a fixed annual sum, and at the same time it is agreed: "The existing patronage rights are abolished."

Overview 38: Annual state payments to compensate for the 'building maintenance obligations'

Federal states	*per year*	*DM* .
Baden-Württemberg	2000	0
Bavaria	2000	20,950,000
Berlin	2000	300,000
Brandenburg	2000	5,500,000

[111] Frankfurt am Main: *Budget 1998/1999*, pp. 391–393.
[112] *The Great Johnson.* The New Encyclopaedia of Wines, Wine-growing Regions and Wine Producers of the World. Bern and Stuttgart: Hallwag, [9] 1995, p. 283.
[113] *Stuttgart Budget 1999*, p. 150 (3/3700 'Church Affairs')

Bremen	2000	0
Hamburg	2000	0
Hesse	2000	1,441,500
Mecklenburg-Western Pomerania	2000	7,000,000
Lower Saxony	2000	0
North Rhine-Westphalia	2000	4,745,000
Rhineland-Palatinate	2000	1,640,000
Saarland	2000	0
Saxony	2000	0
Saxony-Anhalt	2000	0
Schleswig-Holstein	2000	0
Thuringia	2001	1,803,100 .
Total		*43,379,600*

Sources: Budget plans of the federal states. / Thuringia: Diocese budget 2001

Whilst Bavaria, Hesse and North Rhine-Westphalia settle their accounts on a differentiated basis, Berlin, Brandenburg and Mecklenburg-Western Pomerania still make lump-sum payments in instalments, whereas the other federal states appear to have exempted themselves from this building obligation in the meantime.

The reported building obligation payments by the federal states to the churches amounted to around DM 43 million. However, this figure does not yet include the churches' income from the maintenance of historic monuments and the one-off state grants for individual special projects.

But who has to deal with building maintenance payments? Let us now consider an aspect we all encountered at school: Christian religious education.

6.3.3. Religious education

Religious education in Germany is (alongside the right of religious communities to levy taxes) the second area in which the separation of church and state has not been implemented under constitutional law. Article 7(3), first sentence of the Basic Law states: "Religious education is a regular subject in state schools, with the exception of non-denominational schools."

This adopted the provisions of the Weimar Constitution, for: "The guarantee of state religious education and state denominational schools [...] formed the strongest basis for the continuation of the institutional bond between church and state and for securing the church's public influence within the development of society as a whole."[114] Once again, the old socialist slogan 'Religion is a private matter' (point 6 of the SPD's Erfurt Programme) could not be implemented under constitutional law.

[114] Ernst Rudolf Huber: *German Constitutional History since 1789*, Volume VI, p. 887.

This constitutional mandate of the Federal Government has led to a wide variety of formulations in the constitutions of the Länder and in constitutional practice. In the practice of the West German Länder (with the exception of Bremen and Berlin), it has emerged that religion is a regular school subject (the relevance of which to progression to the next year is, however, handled differently), that it is taught by teachers in the civil service who are, however, subject to a church-denominational teaching licence ("Vocatio") and, where necessary or by agreement, additional teachers employed in the church service (under 'staffing contracts'), the costs of whom are fully or partially.

The extent to which the churches have not only become accustomed to this practice as an established right, but regard it as their legal entitlement to have this 'children's mission' (for that is what denominational religious education is from the church's perspective) with state funding as a regular school subject, became apparent after reunification, when the state of Brandenburg refused to comply with this church claim (and, as in Berlin), whilst it did finance the churches' religious education, it designated exclusively the subject 'Life Guidance, Ethics and Religion' (LER) as a compulsory subject.

The legal challenges brought by the relevant dioceses and the regional church (as well as the constitutional complaint filed by CDU Members of the Bundestag) against Brandenburg are pending before the Federal Constitutional Court, and confirm East German reservations that religious education should be imported into their states by religious communities in the same way that West German retail chains import their goods. It will be interesting to see how the Federal Constitutional Court's "LER ruling" (in autumn 2001) will turn out.

With regard to the financial expenditure on religious education, two distinct areas must therefore be considered. On the one hand, the expenditure on religious education provided by teachers in the civil service; on the other hand, the remuneration of religious education teachers in the service of the churches via the agreed 'staffing agreements'.

Whilst payments to the churches (and religious orders) under the secondment agreements or other state-church agreements are specifically and separately itemised in the state budgets of the federal states, the expenditure on religious education provided by state-employed teachers cannot be precisely determined, as the relevant state statistics are highly varied, incomplete or non-existent.

Enquiries to the relevant state ministries, regional church offices and ordinariates yielded the following information, which is also presented here in this differentiated manner to illustrate the research situation in the respective federal states.

Baden-Württemberg: "Unfortunately, we are unable to provide you with any figures regarding state-employed religious education teachers; we ask that you contact the churches directly." Protestant Regional Church in Württemberg: "35,968 teacher-hours per week of religious education across all school types, of which 21,350 are taught by state-employed teachers and 14,168 by teachers in the service of the church." Protestant Regional Church of Baden: "23,207 teaching hours per week, of which 12,141 are taught by state teachers and 11,066 by teachers in the service of the church." Diocese of Rottenburg-Stuttgart: "29,666 teaching hours per week, of which 13,367 are taught by church-employed teachers and 16,299 by state-employed teachers", Archdiocese of Freiburg: 29,023 teaching hours per week, 12,176 by church-employed teachers and 16,847 by state-employed teachers." Total: Of the 117,864 weekly teaching hours, 66,637 are taught by teachers in state service. / *Bavaria*: In primary and secondary schools, 98,240 weekly teaching hours, of which 59,345 are taught by church-employed teachers and 38,905 by state-employed teachers, which, converted (27.5-hour teaching load), 1,415 full-time posts. In secondary schools, 1,142 state teachers are employed, which equates to 571 full-time posts based on a half-time teaching load. In state grammar schools, 20,502 weekly teaching hours were delivered by state teachers, corresponding to 789 teachers. At public and private vocational schools, 14,084 teaching hours per week were delivered, which corresponds to 542 full-time posts. In total, 3,317 full-time posts are thus to be taken into account in the Bavarian civil service. / *Berlin*: Exclusively by teachers in the service of the churches. / *Brandenburg*: "No religious education teachers in the state service. Religious education is exclusively a matter for the churches." / *Bremen*: No religious education whatsoever in state schools. The state provides, under state supervision, "Biblical history lessons on a general Christian basis" / *Hamburg:* State-employed religious education teachers for Protestant religious education. Only the weekly teaching hours in upper secondary education are recorded (583). Based on the assumption that at least the same amount of religious education is provided in Years 1–9, a minimum of 2,522 weekly teaching hours can be assumed, which equates to 97 teachers. / *Hesse*: Total weekly teaching hours delivered in state schools: 54,136, corresponding to 2,082 full-time posts / *Mecklenburg-Western Pomerania*: "265 Protestant and 9 Catholic religious education teachers in the state service." / *Lower Saxony*: 55,490 hours of Protestant and Catholic religious education, of which 4,802 hours are taught by catechists, corresponding to 50,688 hours taught by teachers in state service, equivalent to 1,950 full-time posts

/ *North Rhine-Westphalia*: State-employed teachers. (Plus a marginal number of seconded staff, but no Catholic teachers, as the Church has no personnel available for this.) Weekly teaching hours delivered in state schools: 171,636; in private schools: 13,729. A total of 185,365 weekly teaching hours. Converted using the standard compulsory teaching hours for teachers, this results in: 6,586 posts for religious education in state schools and 548 in private schools, making a total of 7,134 posts for religious education / *Rhineland-Palatinate*: "State-employed teachers: Protestant religious education: 2,384; Catholic religious education: 4,337; Protestant religious education for primary and secondary schools.

3. A total of 6,724 teachers." / *Saarland*: No figures available. Ministry estimate: 13,400 teacher-hours per week, with the 'state share' being provided by approximately 460 teachers. Catholic religious education in primary schools is partly provided free of charge by local parish priests. / *Saxony*: 1,200 religious education teachers in the church service, 450 in the state service / *Saxony-Anhalt*: In state general education schools, 95 teachers provide Protestant religious education and 18 Catholic religious education in primary schools. In secondary schools 86 / 13, in grammar schools, second-chance education, comprehensive schools and special schools 56 / 22, and in special schools 21 / 3 teachers. A total of 258 plus 56 = 314 teachers. By way of comparison, 1,114 teachers are employed in ethics lessons. / *Schleswig-Holstein*: "In the state service, 1,792 civil servant teachers teach Protestant religious education and 213 teach Catholic religious education." A total of 2,005 teachers. / *Thuringia*: "In the 1998/99 school year, over 800 state-employed teachers with teaching qualifications, teaching permits or teaching assignments taught these subjects, in addition to just under 600 seconded staff (church employees)."

Overview 39: Payments by the German federal states to fund Christian religious education in 1999/2000 (in DM)

State	*To the churches*)*	*Civil service**)*	*Total:*
Baden-Württemberg	57,260,000	256,300,000	*313,560,000*
Bavaria	128,600,000	331,700,000	*460,300,000*
Berlin	99,905,400	0	*99,905,400*
Brandenburg	4,000,000	0	*4,000,000*
Bremen	0	0	*0*
Hamburg	0	9,700,000	*9,700,000*
Hesse	30,700,000	208,200,000	*238,900,000*
Mecklenburg-Western Pomerania	1,373,000	12,330,000	*13,703,000*
Lower Saxony	24,803,300	195,000,000	*219,803,300*
North Rhine-Westphalia	(0)	713,400,000	*713,400,000*
Rhineland-Palatinate	27,872,800	336,200,000	*364,072,800*
Saarland	4,852,000	46,000,000	*50,852,000*
Saxony	9,300,000	20,250,000	*29,550,000*
Saxony-Anhalt	2,517,800	14,130,000	*16,647,800*
Schleswig-Holstein	4,141,000	100,300,000	*104,441,000*
Thuringia	10,160,000	36,000,000	*46,160,000*
Total:	*405,485,300*	*2,279,510,000*	*2,684,995,300*

Sources: Budget plans of the individual federal states (all for 2000) and information from state ministries, regional church offices and ordinariates: 1999/2000 school year.
**) The figures are taken directly from the state budgets.*
***) Where the weekly teaching hours for state-employed teachers in a federal state (e.g. North Rhine-Westphalia, Hamburg, Baden-Württemberg) have been recorded, these have been converted to full-time posts using a teaching load of 26 hours per week and (as primary school teachers are paid less than, for example, grammar school teachers) the number of posts has been multiplied by DM 100,000 (in the eastern federal states by DM 90,000) per year.*
When listing teachers in the civil service with 'Religion' as a second subject, a flat rate of half a teaching load was assumed for this subject, with the other half allocated to what is normally the second subject.

The significance of these payments for the churches is evident, on the one hand, in the total savings they achieve through state funding for this 'children's mission' (DM 2.7 billion) and, at the same time, in the fact that they finance around 4,000 church employees (converted to full-time equivalents) from the state coffers. On the other hand, in the specific case of the state of Berlin, where the two churches together receive DM 23 million in state subsidies, they receive almost five times that amount for their religious education teachers in church service: DM 99.9 million.

However, it should also be noted that the teaching hours provided by church employees are not necessarily reimbursed in full. In Baden-Württemberg, for instance, only a portion is reimbursed, just as in the dioceses of Mainz and Fulda, where 4.5 million each is raised from the churches' own funds for religious education.

As an indication that these issues between the state and the church are not without conflict, it should be noted that in Lower Saxony the number of state-funded teachers has been increased, whilst payments to the churches for secondment contracts have been reduced and 'frozen' at this level, as they were not used by the churches in accordance with the agreement.

Furthermore, these expenditure figures do not take into account the fact that religious education teachers have already been trained at the state's expense and that teacher training for the churches is also subsidised. The budget of North Rhine-Westphalia shows (for 2000) DM 1.15 million for each of the two churches and a further DM 35,000 for the further training of subject leaders for the subject of religion. Rhineland-Palatinate shows DM 1.08 million for each of the two denominations and their institutes. [115] No figures on this could be found in the budgets of the other federal states. However, if one calculates the further training costs in these two federal states as a proportion of their expenditure on religious education (0.42%) and applies this percentage to total expenditure, the figure amounts to around DM 11,277,000.

Similarly, for some federal states, the costs for the compulsory alternative subject of ethics would also need to be added to those for religious education, as this compulsory alternative subject would not exist without religious education.

6.3.4. Military chaplaincy

A theologically and ecclesiastically complex issue, for 'those who take up the sword shall perish by the sword' [116] , or as Martin Niemöller (Protestant pastor and World Council of Churches member) said in 1959: 'Mothers and fathers

[115] *NRW Budget 2000*, 05 020, Title 684 11, 684 12 and Title Group 90, No. 2.4.3. *Rhineland-Palatinate Budget 2000*, 15 32, Title 685 01-01 and 68501-02.
[116] *Bible*, Matthew 26:52

should know what they are doing when they let their sons become soldiers; they are having them trained as criminals".[117]

The Protestant Church in Germany has a strong pacifist tradition. After the Second World War, which was lost once again, there was a fundamental consensus that even the (Catholic) Federal Chancellor Konrad Adenauer's hand would wither if ever a German were to take up arms again. This peace came to an end when, in the course of Western integration, West Germans too had to take up arms once more. The issue was not only politically controversial; the Grand Military Tattoo, the showpiece of military ceremony in Germany, does not function without the sentimental "Helm ab zum Gebet!" ("Off with your helmet for prayer!") for fallen comrades.

The Catholics had no problem with this; after all, this matter had already been settled in the (still valid) Reich Concordat of 20 July 1933, and it is presumably no coincidence that the German Catholic dignitary who was at the time the 'most conservative' and 'most loyal to the Pope', the 'fighter against moral erosion'[118] also known as 'the Axe of God' [119], Johannes Dyba (then Archbishop of the Diocese of Fulda), was also the German Catholic military bishop at the time.

The Protestant Church in Germany, by contrast, was nearly torn apart by this issue in both 1957 and 1991. It was not only the general refusal of broad sections of the Protestant Church – following Nazism and the Second World War – to bless weapons at all, but also the specific role of priests in military service. Integration into military structures (common in other Western democracies) was rejected on principle. Negotiations took place and a compromise was reached in 1957: military chaplains are, in substance, bound to the Church, but formally (despite wearing a uniform during manoeuvres or combat operations) they are not soldiers, but temporary federal civil servants. They are subordinate to the 'Protestant Church Office for the Bundeswehr' – a federal authority.

This contractual arrangement between the EKD and the Federal Government proved its worth in the years that followed, as both sides treated each other with great caution, until the reunification in 1991, when the strongly pacifist stance of the eastern member churches ("Swords into Ploughshares") caused great unrest within the EKD. The eastern regional churches refused to adopt the western military chaplaincy agreement. Ultimately – in keeping with established Protestant tradition – every regional church was permitted to

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[117] "Kassel Speech" of 25 January 1959, quoted from a letter to the editor in: *Der SPIEGEL*, 15 January 2001, p. 14.

[118] Headline in the *Süddeutsche Zeitung* of 15 September 1999, p. 7.

[119] Spiegel – *reporter* – monthly magazine, November 1999.

proceed as it wished, for "from the outset there was a consensus not to jeopardise the good working conditions of military chaplaincy guaranteed by the 1957 agreement. This included the desire to maintain the existing state funding of military chaplaincy."[120]And so a "special budget for Protestant military chaplaincy in the Bundeswehr in the new federal states" was established, as military chaplains in the east remain church employees.[121]

However, the belt buckles of Bundeswehr soldiers no longer bear the inscription 'God with us', as was the case for the soldiers of the German Empire during the First World War and the soldiers of the German Wehrmacht during the Second World War. After two lost world wars, that has clearly not proved to be true.

The Bundeswehr now spends 54 million euros directly on this special pastoral care, even though, under the provisions of the Basic Law, it is only *permitted*.

The following are explicitly listed under other budget headings of the Federal Ministry of Defence, rather than under military chaplaincy: telephone charges (military chaplaincy share approx. DM 100,000) and petrol and lubricants for vehicles (approx. DM 400,000), bringing the expenditure on military chaplaincy (2000) to DM 54,188,000.

Further benefits, such as the Ministry of Defence's payment for Christian weekly newspapers (12,000 subscriptions to the newspaper *Rheinischer Merkur* alone[122]), or grants for the construction of 'garrison churches' at Bundeswehr bases[123] etc., are recorded in the Ministry's overall military budget.

Overview 40: State expenditure on military chaplaincy in the budget of the Federal Ministry of Defence

Year	Staff costs	evening	Other expenditure	Total
1956	517,000	*22.0%*	1,838,000	2,355,000
1957	3,030,000	*74.8%*	1,020,000	4,050,000
1966	11,990,000	*76.6%*	3,658,000	15,648,000
1976	29,206,000	*85.7%*	4,857,000	34,063,000
1986	40,648,000	*87.4%*	5,886,000	46,534,000
1998	47,386,000	*87.6%*	6,696,000	54,082,000
2000	49,096,000	*91.4%*	4,592,000	53,688,000

Source: Federal Budget Plans, Section 14, Chapter 06.

[120] See 'Fundamental Ecclesiastical and Theological Issues, 1. The Debate on the Military Chaplaincy Agreement', in: *Ecclesiastical Yearbook for the Protestant Church in Germany*, 1994, pp. 5 ff, pp. 6–7.

[121] Besier, *The Church as a Corporation*, p. 35.

[122] John/Schütte/Rampp: 96,000 marks from the state for sacramental wine and candles – what military chaplaincy costs the taxpayer, in: *MIZ 2/1989*, p. 14.

[123] Klaus Martens: *How Rich Is the Church?*, p. 59

A more detailed breakdown of expenditure by individual headings shows the disproportionate increase in direct personnel costs and even a rise in the 1990s, despite the fact that the number of soldiers fell from 521,000 to 310,000 between 1990 and 2001.

Overview 41: State expenditure on military chaplaincy 1956 to 1968 (in TDM)

Expenditure on	1956	1966	1976	1986	1998	2000
Civil servants' salaries	11	7,550	16,517	22,000	23,150	21,664
Employee remuneration	339	3,625	11,016	16,521	21,389	20,404
Workers' wages	26	373	704	1,075	1,087	1,628
Other fees	0	0	0	410	500	500
Separation allowance, relocation	58	308	522	492	650	900
Federal Pension Fund, etc.	0	4	0	0	610	600
Reimbursement to churches and religious orders	83	130	447	150	2,008	3,400
Subtotal staff costs	517	11,990	29,206	40,648	47,386	49,096
Office supplies, books, etc.	48	126	195	220	190	170
Postage, radio, TV	12	65	107	170	195	185
Vehicle parking	13	400	310	270	190	200
Everyday items	0	0	40	30	25	12
Training and further education	6	159	248	254	181	160
Business trips	47	615	1,295	1,373	1,126	1,130
Lessons, preparation time	0	970	1,190	1,740	1,108	2,150
Prayer books, hymn books, printed matter	678	425	778	823	1,060	---
Cult devices, cult costs	---	581	122	167	85	---
Expense allowances for military bishops	0	26	42	15	15	15
Miscellaneous	4	25	30	30	13	70
Purchase of vehicles	1,030	266	500	794	500	500
Total	2,355	15,648	34,063	46,534	54,082	53,688

Sources: Federal budgets for the relevant years, Section 14, Chapter 06

Also noteworthy is the item for prayer and hymn books – recorded together with liturgical costs (mass wine, altar candles, altar decorations) until 1966, before being subsumed under 'retreats' in 2000 – which has settled at over one million, meaning that, with the costs split equally between general printing costs and the purchase of hymn and prayer books, Christian publishers of Bibles and hymn books can count on a guaranteed turnover of DM 500,000 per year. The basis for this is laid down: "Pursuant to Section 63(3), second sentence – BHO, it is permitted that every soldier "... that a prayer book is provided

free of charge to conscripts performing their basic military service."[124]

In addition to these reported costs for military chaplaincy in the Bundeswehr, the following must be included:

- Chaplaincy and pastoral care in civilian service (reported in Section 17 04 'Federal Office for Civilian Service'): (2000) DM 430,000.

As well as an expenditure related to the existence of the military and fully funded as a church/charitable activity. In addition to the tracing service of the German Red Cross:

- Church Tracing Service with 2 home town registers (in the budget of the Federal Ministry of the Interior, Section 06 40): (2000) DM 8,692,000.

In total, expenditure on military chaplaincy thus amounts to at least 63 million marks (DM 63,310,000).

Just how little money is spent on deciding a matter of faith is illustrated by the fact that these expenditure on military chaplaincy would account for 0.37 per cent of church tax revenue (1999).

6.3.5. Police pastoral care

Although the church agreements with the federal states generally stipulate that police pastoral care is provided free of charge, with the exception of the provision of premises—which in this respect constitutes a monetary benefit—there are further agreements. The Federal Ministry of the Interior, which is always quite open-minded towards church matters, paid a grant in 2000 for pastoral care within the Federal Border Guard amounting to DM 284,165.19[125] and the state of North Rhine-Westphalia paid DM 200,000 for the police and DM 200,000 for pastoral care within the fire service[126] No details on this could be found in the other state budgets, though this may be because the breakdown, as in North Rhine-Westphalia—where these payments are initially lumped together under 'Other grants for current domestic purposes'—is not provided there.

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[124] See budget note in *the federal budget*, Section 14 06.

[125] *Federal Budget, financial year 2000*, Chapter 0625, Title 539 99. Breakdown of the lump-sum figures in Note 8 of the budget by the Ministry.

[126] *State Budget of North Rhine-Westphalia 2000*, Section 03 110, Title 685 10, No. 1 and Section 03 710, Title 685 17.

6.3.6. Institutional pastoral care

In the Protestant sector, there is pride in the fact that, for 150 years, the Diakonie has been selflessly caring for society's most vulnerable in the spirit of Christian charity. This makes it all the more astonishing that prison chaplaincy today (even though, under the Basic Law, it is only *to be permitted*) is subsidised by the Ministries of Justice to the tune of 17 million (DM 17,131,700).

Overview 42: Payments by the federal states to the churches for prison chaplaincy in correctional facilities

State	*Year*	*DM*
Baden-Württemberg	2000	280,000
Bavaria	2000	750,000
Berlin	2000	2,759,000
Brandenburg	2000	427,000
Bremen	2000	105,000
Hamburg	2000	0*)
Hesse	2000	2,213,000
Mecklenburg-Western Pomerania	2000	260,000
Lower Saxony	2000	2,159,000
North Rhine-Westphalia	2000	4,010,300
Rhineland-Palatinate	2000	1,687,500
Saarland	2000	445,100
Saxony	2000	420,000
Saxony-Anhalt	2000	879,800
Schleswig-Holstein	2000	300,000
Thuringia	2000	436,000
Total		*17,131,700*

Sources: Budget plans of the federal states (Ministries of Justice) for the relevant years or information from the judicial authorities

**) In 1975, the federal state of Hamburg 'settled' these annual expenses with a one-off payment of DM 2 million.*

These payments, too, which would account for just 0.101 per cent of church tax revenue in 1999, are financed from tax revenue within the contractual framework between the churches and the federal states. Why?

6.3.7. Denominational schools

Just as the Christian religious education provided by the churches, which is to be paid for by the state, is a 'constitutional mandate', the state has also committed itself to funding denominational schools: 'The right to establish private schools is guaranteed' (Article 7, paragraph 4 of the Basic Law). As the entire German school system is under state supervision, private schools must be state-recognised, and therefore they are not private schools but state 'alternative schools' under private sponsorship.

When it comes to private schools, those who are not religious – if they are aware of any at all – will think of 'Waldorf schools', which are based on the principles of Rudolf Steiner. That would, however, be too narrow a view.

'Over 50 per cent of privately run schools are Catholic schools. The most recent statistics (1992/93) show 1,208 Catholic schools in the Federal Republic of Germany with 302,695 pupils. The distribution across the individual federal states corresponds to the respective religious composition of the population: the largest numbers of Catholic schools are found in North Rhine-Westphalia (347) and Bavaria (298).'[127] Of these, 332 schools are run by religious orders, dioceses, church foundations or parish associations.

Overview 43: Catholic schools in Germany (1993)

	111	Primary and lower secondary schools
	159	Secondary schools
	209	Grammar schools
	6	Comprehensive schools
	183	Special schools
	170	Vocational schools
	27	Evening schools and colleges
	343	Boarding schools
Total:	*1,208*	*Schools*

Source: German Bishops' Conference / The figures refer to all Catholic schools, including those run by religious orders, but excluding the 308 schools in the health sector.

The Catholic schools – which regard their grammar schools as 'elite schools' – are complemented on the Protestant side by 871 schools with 122,760 pupils.

What is striking here is the comparatively high proportion of Protestant denominational schools in the eastern federal states, which presumably reflects a stance of opposition to the state school system.

Overview 44: Protestant schools in Germany (Sept. 1999)

	Old Länder		*New Länder*		*Total*	
School type	*Schools*	*Pupils*	*Schools*	*pupils*	*Schools*	*pupils*
Primary schools	28	4,758	27	3,091	55	7,849
Secondary schools	9	1,331	1	127	10	1,458
Key Stage 1	1	58	0	0	1	58
Secondary schools	31	8,624	9	1,250	40	9,874
Grammar schools	63	34,440	15	6,922	78	41,362
Comprehensive schools	8	4,607	1	360	9	4,967
Special needs education	169	20,048	44	3,728	213	23,776

[127] German Bishops' Conference, at: http://www.dbk.de/kirche/in_kkd03.html (p. 1, December 1999).

Vocational schools	383	28,485	82	4,931	465 33,416
Total	*692*	*102,351*	*179*	*20,409*	*871 122,760*

Source: EKD Church Office, Education Department, Division 232

In round figures, this means that of the *private schools* in Germany, half are run by the Catholic Church and a third by the Protestant Church. The remaining fifth is shared by 165 Waldorf schools, 300 private schools with varying profiles and 30 independent alternative schools.[128]

The particular commitment to *Catholic schools* within the denominational sectors is evident in the fact that 58 per cent of denominational schools are run by the Catholic Church, just as three-quarters (71 per cent) of 'denominational pupils' attend Catholic schools.

*Overview 45: Payments by the federal states to the churches for their schools *) State*

	Year	*DM*
Baden-Württemberg	2000	531,201,000
Bavaria	2000	576,939,000
Berlin	2000	106,806,000
Brandenburg	2000	48,725,000
Bremen	2000	21,582,000
Hamburg	1999	81,399,000
Hesse	2000	165,859,000
Mecklenburg-Western Pomerania	2000	21,209,000
Lower Saxony	2000	207,112,000
North Rhine-Westphalia	2000	1,531,850,000
Rhineland-Palatinate	2000	176,633,000
Saarland	2000	43,820,000
Saxony	2000	96,300,000
Saxony-Anhalt	2000	33,230,000
Schleswig-Holstein	2000	6,049,000
Thuringia	2001	154,350,000
Total		*3,803,064,000*

Sources: Budget plans of the federal states for the relevant years

**) The figures were calculated from the total number in accordance with the notes in the respective budgets regarding private or alternative schools – i.e. excluding Waldorf schools – and in line with the proportion of schools reported as being under church sponsorship (e.g. Schleswig-Holstein: 10%, Bavaria: 45%). Where no such explanations were available, two-thirds of the total costs were assumed.*

The federal states fund Christian denominational schools with a total of 3.8 billion marks (DM 3,803,063,000). On average, 90 per cent of the school expenditure of private schools is paid for by the state. In Brandenburg, this figure is 100 per cent of the comparable

[128] Petra Schnitt: 'Like a pig in clover', in: *stern*, 29 October 1998, p. 120.

costs of state schools,[129] in Schleswig-Holstein 80–85 per cent[130], in Hamburg, however, only 47 per cent for Catholic schools.[131]

Furthermore, one-third of the **school fees** payable to private schools is tax-deductible. With an average school fee of around 70 marks per month, i.e. 840 marks per year, 277 marks are tax-deductible. According to the Federal Government's subsidy report, the federal and state governments forgo 30 million marks in tax revenue due to the limited 'special expenditure deduction for school fees paid to private schools'.[132] With religious schools accounting for a good three-quarters of private schools, they are subsidised accordingly with around 23 million marks.

The possible objection that the approximately 3.9 billion marks in direct funding would 'in any case' have to be paid by the state due to compulsory education does not hold water, because, on the one hand, pupil numbers in denominational primary schools are in some cases so low that they would be closed if run by the state, and on the other hand, because the specific denominational orientation is exclusively in the interest of the Church: 'Just as schools were a central vehicle for evangelisation during the Christianisation of Europe, so too do they render a valuable service in the new evangelisation under the changed conditions of our modern society.'[133]

This quoted statement does not refer to Africa, for example, but to Germany. In this sense, the German state (five hundred years after the Reformation) is making its 'positively neutral' contribution to the new evangelisation of Germany.

However, to begin this 'new evangelisation' only in schools would be too risky, for: 'You can't teach an old dog new tricks!'

6.3.8. Day-care centres

The Catholic Church runs over 9,300 kindergartens nationwide. The legal entities responsible are the local parishes or Caritas. Around 60,000 educational and care staff look after around 640,000 children there.[134] In the Protestant sector, according to EKD figures (1998), there are a total of 9,531 facilities with 570,171 places.

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[129] *Brandenburg Budget 1998*, Chapter 05410, p. 293.
[130] *Schleswig-Holstein Budget 1998*, Section 07, p. 45.
[131] Information provided by the Archdiocesan Ordinariate.
[132] *Bundestag Paper 14/1500* (17th Subsidy Report), p. 195.
[133] Bonifatiuswerk der deutschen Katholiken: *Catholic schools offer more*. April 2000, p. 2.
[134] See German Bishops' Conference, at: http://www.dbk.de

In some federal states, the churches have a virtual monopoly on nursery places, which are now guaranteed by law. In Bavaria, for instance, 2,433 (or 42% of all nurseries) are under Catholic management and a further 950 (or 16%) under Protestant supervision. Around 60 per cent of Bavarian nurseries are thus run by religious bodies. 1,822 kindergartens (31%) are run by local authorities, and the remaining 652 facilities (11%) are run by the Workers' Welfare Association, the German Red Cross or other 'operators'.[135] The general trend is that the more rural the area, the more denominational the provision, up to the point of a church monopoly.

This dominant market position of the churches has two sides. On the one hand, it is becoming increasingly difficult for non-denominational parents – and in some parts of Germany even impossible – to secure a place in a non-religious nursery. On the other hand, the religious freedom of current and future nursery staff is called into question, as they must be or remain members of the church if they do not wish to lose their jobs.

In this situation of partial monopoly held by church-run kindergartens, the principle of subsidiarity – whereby the state delegates social tasks to other bodies – violates the constitutional rights of the individual. Article 4(1) of the Basic Law: "Freedom of faith and conscience and freedom of religious and ideological belief are inviolable."

As these kindergartens are located at the local authority level, it is hardly possible to record the state subsidies paid for them in a way that distinguishes between federal states and local authorities. The regulations also vary between the federal states, meaning that an extrapolation based on data from a single federal state would not provide a reliable basis.

However, the Federal Statistical Office listed day-care facilities for children for 1994 and reported the total state payments for these for 1998. Of the facilities run by independent providers, 70.1 per cent are accounted for by the two Protestant and Catholic provider groups, which encompass the day-care facilities of the churches and their charitable organisations. This also highlights the dominance of denominational providers among the 'independent' providers.

Overview 46: Daycare facilities for children (1994)

Provider	*Number*	*%*	*%*
Public providers	22,108	47.4%	
Independent organisations	24,515	52.6%	

[135] Reference date: 1 January 2000. Information from the Bavarian State Office for Statistics.

Total	*46,623*	*100.0%*	
Of the independent organisations, the following are accounted for by:			
Workers' Welfare	1,294	5.3%	6.2%
German Parity Welfare Association	1,662	6.8%	8.0%
German Red Cross	754	3.1%	3.6%
Diakonisches Werk and EKD	7,699	**31.4%**	36.8%
Caritas and the Catholic Church	9,487	**38.7%**	45.4%
Central Welfare Office of the Jews	7	0.03%	0.03%
Subtotal "Umbrella organisations"	*20,903*	*85.3%*	*100.0%*
Other religious communities under public law	142	0.6%	
Youth groups and associations	33	0.1%	
Commercial enterprises	123	0.5%	
Other legal entities / Other associations	3,314	13.5	
Subtotal: other independent organisations	*3,612*	*14.7*	
Independent organisations: Total	*24,515*	*100.0%*	

Source: Federal Statistical Office (1996): Specialist Series 13, Series 6.3: 'Institutions and staff in youth welfare, 1994', p. 80 ff.

Accordingly, as no further information is available on the changes between 1994 and 1998, these percentages must be used as a basis for state payments to independent providers for childcare facilities.

These are the "net expenditure", i.e. expenditure minus the returns from grants awarded to independent providers, totalling DM 7,072,197,000. Of this, the Protestant sector received DM 2,220,670,000 and the Catholic sector DM 2,736,940,000. The two denominational provider groups thus received a combined total of: DM 4,957,610,000 (DM 5 billion).

Overview 47: State payments for independent childcare facilities (1998)

State 'paying agency'	*DM*	*%*
Youth welfare offices	4,486,853,000	63%
Regional youth welfare offices	422,365,000	6%
Local authorities within the district without a youth welfare office	1,635,359,000	23%
Supreme State Youth Authority	527,620,000	8%
Highest federal authority	0	-
Total	*7,072,197,000*	*100%*

Source: Federal Statistical Office (2000): Specialist Series 13, Series 6.4: 'Expenditure and Revenue of Public Youth Welfare Services, 1998', p. 18ff.

These payments will not only increase by the usual rates of growth in the coming years, but will rise significantly higher, as the denominational officials are successfully threatening to close their childcare facilities if the state does not fund them even more generously than before, so that the churches no longer have to pay any subsidies. In the federal state of Hamburg, this 'first step towards withdrawal' was already successfully implemented across the board in July 2001. The Senate is not only increasing its previous payments, but 'all new

Places in church-run nurseries under the future expansion programme will be 100 per cent funded by the city".[136]

6.3.9. Adult education / Cultural support

In addition to kindergartens and religious education, the Christian churches' adult education is also state-funded. This is an area that cannot be financially exploited. For example, the *Catholic Federal Working Group for Adult Education* (KBE) lists the following as 'funding bodies' for its work: BMBF (Federal Ministry of Education and Research), BMFSFJ (Federal Ministry for Family Affairs, Senior Citizens, Women and Youth), BpB (Federal Agency for Civic Education), AA (Federal Foreign Office) and BMZ (Federal Ministry for Economic Cooperation and Development)." [137]

It was not possible to clarify which lump-sum allocations include which grants for which institutions. However, the federal states also contribute. In the state of Berlin, these payments are referred to as 'grants for cultural support', and the heavily indebted Berlin Senate spends 1.6 million on them.

Overview 48: Federal State of Berlin: 'Grants for cultural support', 2000 estimates

Recipient / Purpose	*DM*
Protestant Church	360,000
Protestant Church of the Union	100,000
Catholic Church	101,300
Adult education of the Protestant Church	242,000
Protestant Academy	237,410
Catholic Academy	183,340
Adult education of the Catholic Church	68,900
Society for Christian-Jewish Cooperation	122,950
Protestant parent-child playgroups	81,670
Catholic parent-child playgroups	61,250
Total	*1,558,820*

Source: Berlin: Budget 2000, Section 17 90, Title 684 44, p. 1674.

The Protestant Academy of Saxony-Anhalt e.V. incurred a deficit of DM 961,747 in 2000 (this was already known when the budget was drawn up in 1999), i.e. around one million marks. Under the heading 'Institutional funding for culture', the budget of the State of Saxony-Anhalt states:[138]

[136] *Hamburger Abendblatt*, 10 July 2001, page 11.
[137] http://www.kath.de/kbe/vorstellung/aufgabenfelder
[138] Saxony-Anhalt: *Budget 2000*, Section 07 75, p. 139.

'The shortfall is to be covered by	
a) the recipient's own funds	0
b) the State	200,000
c) the Federal Government	140,000
d) other local authorities and the public sector	601,747
e) Private	20,000

Similarly, the deficit of the Michaelstein Monastery Foundation is covered from the same budget with DM 5.05 million; the Cathedral Foundation of the State of Saxony-Anhalt receives DM 4,549,500; and the Luther Memorials Foundation in Saxony-Anhalt requires DM 5,787,500 from tax revenue to cover its deficit.

The federal government, the local authorities and the State of Saxony-Anhalt pay a total of DM 16.1 million for these four church institutions. The Protestant Church of the Ecclesiastical Province of Saxony contributes an additional DM 20,000. (That is exactly 0.12 per cent of the deficit.)

The federal state of Baden-Württemberg pays a flat-rate annual subsidy of DM 500,000 to the Protestant and Catholic academies in the state. The Free State of Bavaria paid the Protestant Church a subsidy of 3.75 million marks in 1999 for the 'Culture Fund Project' of the Working Group for Protestant Adult Education in Bavaria (AEEB).

These grants, which are paid in varying combinations and amounts by the federal government, the Länder and local authorities, point to an unaccounted-for area of subsidies, the volume of which cannot be quantified within the scope of this study, and which already amounts to DM 22.2 million for the few institutions mentioned.

6.3.10. Cultural work abroad by the churches

Adult education, of course, exists not only in Germany but also abroad. In the full text of the Foreign Office's budget, this is referred to as: 'International activities of social groups and German-foreign cultural institutions in Germany and abroad, insofar as these are not managed by the Goethe-Institut'[139] For this 'cultural work abroad', the churches receive around 6 million marks.

Overview 49: Grants from the Federal Foreign Office for the churches' cultural work abroad (actual expenditure 1999)

International activities of social groups	
1. Cultural work abroad by the churches	
1.1. Church Foreign Office of the E.K.D	2,200,000

[139] *Federal Budget 1998*, Section 05 (Federal Foreign Office), 0504: Fostering cultural relations with other countries, p. 47.

1.2. Catholic Foreign Secretariat	1,930,000
1.3. Protestant Mission Society	915,000
1.4. German Catholic Mission Council	915,000
1.5. Grants to church institutions	78,000
1.6. Maintenance of German cemeteries or individual graves (unless covered by Chapter 0502, Title 685 11)	32,000
Total	6,070,000
Grants 1.1. to 1.4. are paid as fixed amounts to the budgets of the grant recipients.	

Source: Federal Budget 2001, Section 05 (0504 – Title 687 17).

The Catholic sector (DM 2.845 million) received slightly less than the Protestant sector (DM 3.115 million). What is puzzling, however, is that the Protestant Mission Society and the German Catholic Mission Council each received 915,000 marks from this. Is Christian mission a state responsibility?

6.3.11. Family and Youth

But the churches are also active in the areas of family and youth through various associations and their institutions as part of the 'Inner Mission'. As with adult education, this area can only be partially broken down within the scope of this overview.

The scale of this can be illustrated using the example of the Free State of Bavaria: 'In 1997, over 2.7 billion DM was available for family-related programmes alone.'[140]

The Federal Statistical Office has recorded at least part of these state payments under the heading 'youth welfare'. In addition to the day-care facilities for children already discussed, the following are listed there, among others: residential care facilities / educational residential groups / children's and youth villages / youth social work facilities / youth education centres / children's, youth and family holiday centres / educational, youth and family counselling centres / parent and family education facilities.

Even more so than in the sector of childcare centres, this highlights the dominance of independent providers, which account for just under three-quarters of all facilities, and, once again, the market position of faith-based organisations, which operate almost three-quarters of all facilities run by the umbrella organisations.

Overview 50: Youth welfare facilities (excluding childcare centres) (1994)

Provider	*Number*	*%*	*%*
Public providers	6,704	27.7%	
Private organisations	17,494	72.3%	

[140] http://www.bayern.de/BayernInfo/politisches Life

Total	*24,198*	*100.0%*	
Of the independent organisations, the following are accounted for by:			
Workers' Welfare	873	5.0%	7.2%
German Parity Welfare Association	1,858	10.6%	15.4%
German Red Cross	382	2.2%	3.2%
Diakonisches Werk and EKD	4,069	**23.3%**	33.6%
Caritas and the Catholic Church	4,902	**28.0%**	40.5%
Central Welfare Office of the Jews	19	0.1%	0.2%
Subtotal "Umbrella organisations"	*12,103*	*69.2%*	*100.1*
Other religious communities under public law	326	1.9%	
Youth groups and associations	1,578	9.0%	
Commercial enterprises	434	2.5%	
Other legal entities / Other associations	3,053	17.5	
Subtotal: other independent organisations	*5,391*	*30.9*	
Independent organisations: Total	*17,494*	*100.1*	

Source: Federal Statistical Office (1996): Specialist Series 13, Series 6.3: Institutions and staff in youth welfare, 1994, p. 80 ff.

Of the privately run institutions, 51.3 per cent are accounted for by the two Protestant and Catholic provider groups.

As no further information is available on changes between 1994 and 1998, these percentages of state payments for youth welfare institutions (excluding day-care centres) to institutions run by independent providers must be taken as a basis. Accordingly, the Protestant sector received DM 307,483,000 and the Catholic sector DM 369,508,000. Together, this amounts to DM 677 million.

Table 51: State payments for youth welfare (excluding day-care centres) to independent providers (1998)

State 'paying agency'	*DM*	*%*
Youth welfare offices	709,296,000	53.7%
Regional youth welfare offices	170,156,000	12.9%
Local authorities without a youth welfare office	83,227,000	6.3%
Supreme State Youth Authority	348,790,000	26.4%
Supreme Federal Authority	8,201,000	0.6%
Total	*1,319,670,000*	*99.9%*

Source: Federal Statistical Office (2000): Specialist Series 13, Series 6.4: Expenditure and Revenue of Public Youth Welfare Services, 1998, p. 18ff.

A glance at *"X-mag"*, the "unmanipulated youth magazine" published by the Catholic Weltbild publishing house, also highlights the complex web of subsidies in this sector: "Editorial team of the Kolping Youth Magazine: (funded by the Federal Children and Youth Plan through the BMFSFJ [Federal Ministry for Senior Citizens, Family and Youth])."[141]

[141] *X-mag*, The Unmanipulated Youth Magazine, May 2000, p. 63

6.4. 'Voluntary payments' from the state to the churches

One should not assume that the state has fulfilled its obligations with these 'mandatory payments', for there are so many state budgets from which one can and does receive allocations – this time, however, without a 'legal entitlement'. It remains open, however, whether legal entitlements might not arise from voluntary payments through customary law. The payments are therefore not regular, but relate to individual cases, are (theoretically) terminable, and do not increase automatically, as 'mandatory payments' do.

6.4.1. Preservation of historical monuments

A key area, which was also touched upon in the context of building obligations, is known in this context as heritage conservation. Buildings in Germany that are listed as historic monuments must first have survived the passage of time and periods of turmoil. Consequently, these buildings are primarily constructed of hard stone, and who could afford such costly construction in the past? The nobility and the churches. It was only later that wealthy merchant families and bankers joined their ranks. However, such a building must not only be 'old' but also constitute 'cultural heritage worthy of preservation'.

The proportion of churches among all listed buildings in Germany cannot be readily determined, but an extrapolation, for example, of the figures for the Potsdam-Mittelmark district (of 583 buildings on the district's list of listed buildings, 181 are churches and monastic complexes = 31 per cent[142]) seems plausible. Accordingly, we may assume that, in the long term, at least one third of expenditure on heritage conservation goes to the churches. This assumption is also supported by the fact that (in 1994) of the 20,025 churches within the jurisdiction of the established Protestant Church, 11,152 (that is 56 per cent) were listed as heritage sites.[143]

State funding for heritage conservation consists predominantly of revenue from lottery funds (Zahlenlotto, Spiel 77, casino proceeds).

These funds are distributed across three levels of government: local authorities, the federal states and the federal government. Mixed funding across all levels, plus a certain contribution from the church, is the norm. Thus, in the Potsdam-Mittelmark district alone, on the basis of the Local Authority Finan-

[142] See *Berliner Morgenpost*, 20 February 1997 (Of the treasures above and below ground.)
[143] *Buildings owned by the established church that were listed as historic monuments on 1 January 1994*. Overview from the EKD Church Office dated 13 October 1999.

cing Act of 1995 DM 1.16 million and, in 1996, DM 827,000 in subsidies were paid,[144] which would mean: DM 350,000 and DM 250,000 respectively for church buildings.

Overview 52: Grants from the federal states for the preservation of church buildings

State	*Year*	*DM*
Baden-Württemberg	2000	9,953,000
Bavaria	2000	19,540,000
Berlin	2000	300,000
Brandenburg	2000	1,900,000
Bremen	2000	37,000
Hamburg	2000	630,000
Hesse	2000	5,000,000
Mecklenburg-Western Pomerania	2000	2,700,000
Lower Saxony	2000	2,443,000
North Rhine-Westphalia	2000	6,024,000
Rhineland-Palatinate	2000	4,788,000
Saarland	2000	730,000
Saxony	2001	12,044,000
Saxony-Anhalt	2000	3,172,000
Schleswig-Holstein	2000	500,000
Thuringia	2000	7,690,000
Total		*77,451,000*

Sources: Budget plans of the federal states for the relevant years and information provided by the state offices for the preservation of historical monuments

The figures shown represent one third of the costs paid by the state offices for the preservation and maintenance of historical monuments for capital expenditure on monument preservation, unless the expenditure is explicitly identified as being for a church building (e.g. Berlin: Berlin Cathedral, North Rhine-Westphalia: Cologne Cathedral)

In total, the currently reported payments by the federal states alone to the churches amount to an estimated DM 77 million. The state offices for the protection of historical monuments are organisationally assigned to the respective ministries responsible for culture and have their own funding programmes. For example, since 1996, the Protestant church in Zerpenschleuse in the district of Barnim (Brandenburg) has been undergoing restoration – at a total cost of more than 1.4 million marks. Initially, the restoration was financed by the parish, the state office and the Protestant regional church. In 1997, one third of the total sum was provided by the Federal Ministry of the Interior's 'Dach und Fach' programme, on condition that the state of Brandenburg matched this amount – which it did.[145] In other words: more than two thirds of the costs were paid for out of taxpayers' money: DM 930,000.

[144] See *Berliner Morgenpost*, 20 February 1997 (Of the treasures above and below ground).

[145] See *Berliner Morgenpost*, 29 January 1997 (A facelift for the church's half-timbered structure. Funding for the church from various sources.*)*

Who counts the properties, who counts the parishes? An impossible task. Once again, only implausible estimates could be made.
In addition, there is the further problem that the funds for the "conservation and reconstruction of immovable cultural monuments of special national significance", which were allocated by the Federal Ministry of the Interior until 1998, now lie with *the Federal Government Commissioner for Cultural and Media Affairs* in the Federal Chancellery (around DM 50 million in 2001). The press spokesperson responsible explicitly refused to break down these funds, reported as a lump sum, by recipient group, as the authority is accountable only to Parliament. Regulations would prohibit the provision of information to an individual citizen. Formally speaking, he is indeed correct on this point.

6.4.2. Building grants

In addition to the 'construction costs' for the churches, the state's share of which has already been discussed under mandatory payments, there is an indeterminable number of further one-off construction grants across the country, of which only a few are mentioned here to illustrate the proportions of the funding.

- St Peter's Parish Church in Neuburg/Donau. In 1990, the church (which has no particular significance in terms of heritage conservation and stands next to a church of the same size 200 metres away) was renovated at a total cost of DM 3.8 million. Of this, the following contributed:[146]

Free State of Bavaria	*DM*	*3,030,000*
Neuburg-Schrobenhausen District	*DM*	*25,000*
District of Upper Bavaria	*DM*	*20,000*
State Office for the Preservation of Historical Monuments	*DM*	*30,000*
Church	*DM*	*700,000*

  The Church's contribution to the restoration of its own building thus amounted to 18 per cent.

- In 1992, Cologne Cathedral received around DM 8 million in public and DM 10 million in grants for the renewed renovation of Munich's Liebfrauen Cathedral – the third renovation within twenty-five years.[147] The regular payments (customary law – i.e. building obligation) for Cologne Cathedral amount to DM 1.3 million annually.[148]

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[146] *Church newspaper* of the Diocese of Augsburg, 29 July 1990.
[147] See *MIZ 3/92*, report 1629.
[148] North Rhine-Westphalia: *1998 Budget*, Section 15, Chapter 15070, pp. 70–71: "The state grants the Metropolitan Chapter in Cologne a subsidy for the restoration

- In 1988, Bavaria paid 3.8 million for the interior renovation of Regensburg Cathedral (with the diocese contributing 766,000 DM), and Fulda Cathedral is expected to incur total costs of 52 million DM.

There are countless other examples of this, and it will be impossible to record all voluntary grants, as they are paid at federal, state, district and local levels. Estimates of the total annual expenditure, at 50 million marks, are certainly still too low.

6.4.3. Church Congresses

As there are two major denominational sectors in Germany, there are also two Church Congresses: the German Protestant Church Congress and the German Catholic Church Congress. Both have been held alternately every two years for some time now, with the Protestant gathering taking place one year (1999 in Stuttgart), the Catholic gathering the next (2000 in Hamburg), then the Protestant gathering again (2001 in Frankfurt), and so on. However, an 'Ecumenical Church Congress' is also currently being planned (2003 in Berlin).

Protestant Church Congress

The German Protestant Church Congress is a legally independent organisation within the EKD that does *not* form part of the 'constitutional church'. "Perhaps the greatest freedom of the Kirchentag lies in the fact that it is not a permanent institution, but is recreated anew from one Kirchentag to the next. (...) This becomes all the more difficult at a time when funds are scarcer and individuals too must consider how to allocate the resources they can raise through donations."[149] So said the then General Secretary of the Kirchentag, who has since been elected Bishop of the Regional Church of Hanover. Why an organisation which, by its own account, is "created anew from one Kirchentag to the next" receives around DM 600,000 annually from the Federal Ministry of the Interior is a mystery known only to the gods.

To provide political cover, prominent figures have been enlisted to support the cause, including Dr Reinhard Höppner (Minister-President of Saxony-Anhalt, member of the Kirchentag Presidium) and Prof. Dr Ernst Benda (former President of the Federal Constitutional Court, Kirchentag President 1993–1995).

'maintenance costs for the restoration of Cologne Cathedral'. However, as this 'grant' is paid at a fixed rate every year, it is no longer 'voluntary'.

[149] Dr Margot Käßmann, General Secretary of the Kirchentag, in: (August 1999) http://www.kirchentag.de/dekt/spenden.html

In addition to the donations requested, the Kirchentag is also active in the sale of devotional items to bolster its finances, offering the following in the Kirchentag shop in 1999:

- Communion chalice, Jerusalem Cross motif DM 7.00
- Communion jug, same motif DM 35.00
- Socks, with Jerusalem Cross or Luther quote DM 14.00
- The socks are available in red with dark blue lettering, or in blue with dark red lettering (embroidered). There are also mugs, T-shirts, water bottles, books, CDs ... (All prices include VAT.)

However, as the 'mother EKD' as well as donations and sales do not cover all costs, 'Father State' must once again step in to help. But, as already noted, money is now becoming scarcer.

Protestant Church Congress 1989, in Berlin: Of the total costs of 29 million DM, the federal government and the State of Berlin are paying 26 million in 'subsidies' – although the term actually implies a smaller sum compared to a larger one – i.e. a subsidy of DM 172 per (151,422) participant (i.e. more than the state subsidy for the expensive seats at the State Opera). In addition, which should also be taken into account economically (at around 10 million), there were 'Kirchentag holidays' for Berlin schoolchildren so that the classrooms could be used for overnight stays and events.[150]

Protestant Kirchentag 1993, in Munich: "Although the federal and state governments together are already covering around five million of the planned 17.7 million, the organisers are demanding a further two million from the heavily indebted city. Furthermore, they intend to pay only about half of the 3.7 million in fees incurred for the use of the exhibition and Olympic grounds, the Gasteig and schools. In total, therefore, the public purse would cover more than half the costs."[151]

Protestant Church Congress 1999, in Stuttgart. Of the total costs of 20.6 million marks, the public purse is covering 8.7 million from tax revenue.

Overview 53: 1999 Protestant Church Congress (Stuttgart)

Participant contributions	7.9 million	38%
Protestant Church (EKD)	4.0 million	19%
State of Baden-Württemberg	4.3 million	21%
City of Stuttgart	3.2 million	16%
Federal Government	1.2 million	6%
		20,6 million

Source: idea-spektrum 25/1999, p. 6,

[150] See Herrmann, *Die Kirche und unser Geld*, pp. 72–73.
[151] *Süddeutsche Zeitung*, 22 October 1992, cited in MIZ 1/93, report 1699.

As the Protestant Church Congress is a legally independent organisation within the EKD, the payment of 8.7 million DM from tax revenue is naturally not accounted for in any budget of the 'constitutional' EKD church. And so one must look at three budgets: those of the city, the state and the federal government.

It is noteworthy that, after deducting the participants' contributions from the remaining costs, only 31.5 per cent is paid by the EKD and more than twice as much (68.5 per cent) by the constitutionally religiously neutral state – for a purely church-based event.

The argument that the cities in which the Kirchentage take place pay only a small portion of the subsidy, which the Kirchentag participants then spend in the city (aspect: tourism promotion[152]) and which thus benefits the economy, is false. Virtually all participants – apart from the officials – are accommodated (free of charge) in private or mass accommodation (schools), are provided with meals centrally via meal vouchers (revenue: the Kirchentag) and have neither the time nor the interest to stroll around the city as tourists.

Opposition Protestants, such as the BKM – *the Association Against Church Tax Abuse* – primarily criticise the subsidy from church tax funds, however, as they argue that the Protestant Kirchentag is not based on a concept of a people's church, but is instead a "fringe event with syncretistic traits"[153]. ('Syncretism' is a sort of colourful religious hodgepodge.) Whatever the internal church assessment of this event may be, the involvement of high-ranking politicians evidently ensures the flow of state funds, and from the perspective of 'parity' for / between the two established churches, we can therefore expect something similar for the Cathlic Days.

Catholic Day

The Catholic Days are joint events organised by the Central Committee of German Catholics (the umbrella organisation of Catholic lay organisations) and the diocese in which the Catholic Day takes place.

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[152] For example, the city of Hamburg estimates that each visitor to the city's musicals spends around 300 marks on accommodation, food and shopping in addition to the ticket price. (Hamburger Abendblatt, 30 January 2001, p. 1)

[153] See Besier, *Konzern Kirche*, p. 105.

It is very difficult to find figures on the funding of the Catholic Days. In the programme for the 2000 Catholic Day (in Hamburg), one has to search for quite some time before finally finding references to the sponsors on page 513: "The Catholic Day is financed by grants from the Federal Ministry of the Interior of the Federal Republic of Germany, the Free and Hanseatic City of Hamburg, the State of Schleswig-Holstein, the State of Mecklenburg-Western Pomerania and the Association of German Dioceses, as well as by participant contributions." This is followed by a list thanking the sponsors, in which 20 commercial enterprises are named: a car hire company, banks, newspapers and even coffee retailers.

Figures: None. Enquiry to the Catholic Day – Response: None. So, we must once again look at the public budget plans. With total costs of 20.58 million, the state contributes 8.3 million (equivalent to 40 per cent) in subsidies.

Overview 54: State payments to finance the 2000 Catholic Day

Federal Ministry of the Interior	1,300,000
Federal State of Hamburg	6,800,000
- Schleswig-Holstein	200,000
- Mecklenburg-Western Pomerania	0
Total	*8,300,000*

Source: Schleswig-Holstein Budget 2000, Chapter 0702 / 648 05, p. 25.

This contribution of 8.3 million marks is the sum donated by all taxpayers for a grassroots event, during which (just as with the Evangelicals) Catholic 'fundamentalists' such as the late Archbishop Dyba disparagingly remarked at the time that 'a lot of shallow nonsense' was being talked. But as are well known, trained theologians have always had great difficulty with the heartfelt religiosity of their subjects (which is derisively mocked as 'popular piety').

Conclusion: The federal government provides 1.3 million marks annually for the Church Congresses. In the federal states and cities, the subsidies vary in amount, so let us take the average of the last two Church Congresses in 1999 and 2000. This brings the total cost subsidies from the federal and state governments to around DM 8.5 million.

6.4.4. Court- d fines

"Of the 18.5 million marks that Bavarian courts and public prosecutors' offices had awarded in 1989 to institutions recognised as charitable, 700,000 DM went to the Catholic Caritas Association. Only the Traffic Safety Association

(DM 1.8 million) and the Red Cross (DM 1.2 million) received larger allocations. How much money went to the numerous smaller church-run institutions remained unknown, as only the four largest recipients were named."[154]

In the next chapter, we shall see that, for example, at federal level, the *German Leprosy Relief Organisation* receives DM 773,576 in revenue from fines, *Bread for the World* DM 446,504 and *Misereor* DM 200,000, which are, however, classified there as donations. Similarly, in 2000, the *Christoffel Blind Mission* received DM 1,122,569 in fines, as did *Doctors for the Third World e.V*. (DM 2,310,000).

When imposing a fine, a judge has two options: either he or she specifies a particular charity to which the money is to be allocated, or the fine goes into a collective fund. In the federal state of Hamburg, approximately 2,000 charitable organisations are registered with this collective fund, of which around 400 submit specific applications. The organisational sector to which the applicants belong (animal welfare, health, social services, church-related, etc.) is not assessed or recorded.

Overall, it is impossible to calculate the total amount of state fines that go to church-affiliated organisations, associations, etc. However, given that the five organisations mentioned above (excluding *Caritas*) alone received almost 5 million (DM 4,852,649) from court fines, an estimate of 20 million marks is likely to be accurate.

6.4.5. ABM- funds

Another area, the total amount of which cannot be precisely quantified, consists of payments from employment offices for job-creation schemes that benefit church projects. For example, the Cistercian Order is rebuilding the monastery in Helfta, and the employment office paid 3.5 million marks for the ABM workers involved in this project.[155] Johannesburg, a youth facility run by the North German Province of the Missionaries of the Sacred Heart in Hiltrup, receives an annual grant of 4.2 million marks from the employment office in Leer.[156]

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[154] *Süddeutsche Zeitung*, 8 August 1990, cited in MIZ 3-4/90, report 1302, via http://www.member.aol.com/bfgmuc/kg-meld.htm

[155] *Stern*, 13 April 2000, p. 82 (Walter Wüllenweber: 'Ja, wo arbeiten sie denn? ABM im Osten.')

[156] http://www.kath.de/bistum/osnabrueck (*Kirchenbote* – Local Church: "Training for young people with disabilities")

The Federal Employment Agency has compiled the "Employees receiving support in job creation schemes by funding body".

Overview 55: Employees in job creation schemes by funding body.

Funding body	*In Total*	Denomina- tional *)	*West*	*East*
City or municipality	34,450	0	10,781	23,579
District	4,018	0	1,351	2,667
State and administrative district	2,239	0	1,213	1,026
Federal authority	139	0	41	98
Church	4,753	*4,753*	1,585	3,168
University	642	0	364	278
Other public-law bodies	3,303	0	1,515	1,788
Association, private initiative, foundation	62,210	*31,105*	18,780	43,430
Charity	5,581	*2,791*	2,025	3,556
Charitable organisations	14,257	*7,129*	9,173	5,084
Non-profit cooperative	544	*272*	81	463
ABS companies	32,734	0	1,708	31,026
Charitable organisations under private law	4,011	0	2,696	1,315
Re- / privatised companies	1,315	0	192	1,123
Trust companies	233	0	40	193
Association without charitable purposes	883	0	171	712
Private commercial enterprises	9,925	0	2,343	7,582
Total	181,237	*46,050*	54,149	127,088

*Source: Federal Employment Agency, Division IIIa4, Job Creation Measures, Table 9, Reporting month: January 2001 *)Column 'Denominational' added by us*

In the reporting month of January 2001, of the 181,237 employees, 4,753 were directly employed by the churches and a further estimated 41,000 (around 50% of those reported under the relevant organisations) were employed in the denominational sectors. A total of 45,753 employees.

The average funding for a measure amounts to DM 2,900 per month (= 75% of the wage as a subsidy from the employment office) and is effectively increased to 100 per cent through co-financing by social welfare authorities and other state institutions, so that around 3,800 marks are spent on each measure.[157] This results in ABM payments (2001) in the denominational sectors amounting to approximately 2.1 billion (DM 2,086,336,800).

[157] Information from the Hamburg Employment Office

6.5. Total amount of state payments

On the basis of the budgets of the federal states, payments to the two religious communities totalling around 7.4 billion (DM 7,437,813,000) can be identified.

Table 56. Allocable payments by the federal states to the churches (TDM))*

State	*Allocations*	*Building costs*	*RU**)*	*AS**)*	*Schools*	*Listed building*	*Total*
Ba-Wü	185,785	0	313,560	280	531,201	9,953	1,040,779
Bavaria	160,842	20,950	460,300	750	576,939	19,540	1,239,321
Berlin	22,523	300	99,905	2,759	106,806	300	232,593
Brand.b.	18,800	5,500	4,000	427	48,725	1,900	79,352
Bremen	0	0	0	105	21,582	37	21,724
Hamburg	0	0	9,700	0	81,399	630	91,729
Hesse	76,831	1,442	238,900	2,213	165,859	5,000	490,245
Mecklen-burg-West-ern Pomer-ania	17,283	7,000	13,703	260	21,209	2,700	62,155
Lower Sax-ony	71,647	0	219,803	2,159	207,112	2,443	503,164
NRW	38,953	4,745	713,400	4,010	1,531,850	6,024	2,298,982
Rhineland-Palatinate	84,825	1,640	364,073	1,688	176,633	4,788	633,647
Saarland	1,248	0	50,852	445	43,820	730	97,095
Saxony	31,000	0	29,550	420	96,300	12,044	169,314
S.Anhalt	45,069	0	16,648	880	33,230	3,172	98,999
Schl.-H.	21,517	0	104,441	300	6,049	500	132,807
Thuringia	35,468	1,803	46,160	436	154,350	7,690	245,907
Totals	811,791	43,380	2,684,995	17,132	3,803,064	77,451	7,437,813

**) Differences from the individual source tables are due to rounding discrepancies between DM and TDM. **) RU = Religious Education, AS = Prison Chaplaincy*

Since, 'as always', North Rhine-Westphalia has the highest figures – simply because it is the most populous federal state – we wish to make the figures 'speak' a little more clearly by converting them to the respective population figures of the federal states.

When calculated in relation to the population figures of the respective federal states (from infants to the elderly), a conversion based on the population figures as at 31 December 1998 reveals a surprising distribution of which federal states are particularly close to the two major religious communities in financial terms. (These figures do not consider one-off payments (e.g. church congresses) or total payments that cannot be broken down for youth policy, cultural work, social institutions, church-run hospitals and nurseries.)

It is not, as I myself (also) assumed, 'black' Bavaria (per capita: DM 103), but Rhineland-Palatinate (DM 157) and North Rhine-Westphalia (DM 128) that make the largest regular transfers to the churches and their institutions.

The general trend appears to be: the further north-east a federal state is and the more Protestant it is, the lower the state payments. The (possible) assumption of a link between a federal state's Christian Democratic orientation and the level of payments to the churches is not generally borne out.

Table 57: Allocable payments by the federal states to the churches and their institutions per capita

State	Payments (DM)	Population *	) DM (per capita)
Baden-Württemberg	1,040,779,000	10,426,040	100
Bavaria	1,239,321,000	12,086,548	103
Berlin	232,593,000	3,398,822	68
Brandenburg	79,352,000	2,590,375	31
Bremen	21,724,000	667,965	33
Hamburg	91,729,000	1,700,089	54
Hesse	490,245,000	6,035,137	81
Mecklenburg-Western Pomerania	62,155,000	1,798,689	35
Lower Saxony	503,164,000	7,865,840	64
North Rhine-Westphalia	2,298,982,000	17,975,516	128
Rhineland-Palatinate	633,647,000	4,024,969	157
Saarland	97,095,000	1,074,223	90
Saxony	169,314,000	4,489,415	38
Saxony-Anhalt	98,999,000	2,674,490	37
Schleswig-Holstein	132,807,000	2,766,057	48
Thuringia	245,907,000	2,462,836	100 .
Total / Average	*7,437,813,000*	*82,037,011*	*91*

**) Federal Statistical Office, figures for 1998, cited in: Der Fischer Weltalmanach 2000. Stuttgart: Fischer, 1999, col. 185 ff.*

As these figures for the federal states do not yet include the unallocated amounts (childcare facilities, youth welfare, etc.) or funds from the federal and local budgets, a list of all direct and indirect grants results in higher figures.

However, this list already includes the waiver of state revenue as a subsidy for the 'state churches' (DM 20.1 billion) and figures in anticipation of later chapters, in which a further DM 3.5 billion in state payments to/for religious communities are dealt with (charitable and missionary organisations, training of young people, hospital construction, etc.).

Of these approximately DM 39 billion in payments, *a portion* of the direct grants from this sum is also reported in the church budgets, albeit at two levels. For example, in the Regional Church of Württemberg, 336 million of these revenues are recorded, of which 33.1 per cent is allocated to the Regional Church and 66.9 per cent to the parishes.[158]

Overview 58: Identifiable payments / benefits from the federal government, the Länder and local authorities in Germany to the two major churches

- Waiver of revenue	20,087,902,000
- Grants from the federal states	811,791,000
- Local authority grants	97,856,000

[158] Protestant Regional Church in Württemberg; *Annual Report 2000,* pp. 68–69.

- Building costs		43,380,000
- Religious education		2,684,995,000
- Military chaplaincy		63,310,000
- Police pastoral care / BGS		684,000
- Schools		3,803,064,000
- Nurseries		4,957,610,000
- Cultural activities		22,200,000
- Cultural work abroad		6,070,000
- Youth support		676,991,000
- Prison chaplaincy		17,132,000
- Heritage conservation		77,451,000
- Building grants		50,000,000
- Church congresses		8,500,000
- Fines		20,000,000
- Job creation scheme expenditure		2,086,000,000
- Hospital construction		1,155,190,000
- Training of young professionals		1,218,663,000
- Grants to aid and missionary organisations		367,103,651
- Grants for church libraries		14,340,000
- Grants to commercial enterprises		778,000
- Public foundations		21,300,000
- Secular orders		90,578,000
- Community service in religious institutions		684,064,000
Total	*DM*	*39,066,952,651*

These contributions amount to more than double the revenue from church tax as a whole and, in the year 2000, amounted to DM 476 per capita for a population of 82 million.

In relation to the working population in Germany (1998: 35.86 million), this amounts to DM 1,089 in direct or indirect payments from the German state to the two major churches per capita for every member of the workforce, including those without religious affiliation.

Conclusion: In this context, one could also speak of *direct church taxes* – that is, the funds paid by members who are liable for church tax – and *indirect church taxes*, which every German citizen liable for tax pays, regardless of whether they are a church member, a non-denominational Mennonite, someone with no religious affiliation, or even a Muslim.

It is noteworthy, however, that the much-debated direct church tax amounts to only around DM 291 per church member, whereas the indirect church tax per capita amounts to DM 476.

As these direct payments and shortfalls in tax revenue are not publicly known or disclosed, they are not a matter of public 'issue'.

7. Donations and collections

Aid campaigns 'Brot für die Welt' and 'Misereor' / Caritas International and Diakonie Katastrophenhilfe / Mission organisations: Adveniat, Missio, Renovabis,Bonifatiuswerk, Kindermissionswerk, Evangelische Missionswerke / Other aid organisations / Other donations and collections / Tax deductibility of donations / Lotteries / Charity stamps / Sponsorship

Whereas Christian organisations used to clatter along the streets for a long time with their sealed tin collection boxes held out imploringly, cashless payments have also changed the way donations are collected.

Most banks and building societies now have pre-printed transfer forms from organisations, which are printed in the financial institutions' in-house print shops.

To ensure everything is in order, the donation receipt is printed directly onto the form for small donations (up to DM 100). And to ensure everything is in proper German order, the following is stated in detail: "1. (The organisation) is, according to the latest exemption notice received from the tax office (...) dated (...) tax number (...) exempt from corporation tax as serving charitable, benevolent and ecclesiastical purposes within the meaning of Sections 51 et seq. AO, and pursuant to Section 5(1)(9) KstG, is exempt from corporation tax."

What is to be regarded as a 'donation' under tax law is laid down by the courts. A 'clever' citizen came up with the idea of claiming the not inconsiderable admission fee for a golf club, as well as the not inexpensive membership fee, as a tax-deductible donation for the promotion of sport. This was not upheld, as the payment lacked voluntary nature and therefore a donation deduction was ruled out.[159] Church organisations thus all receive only voluntary donations and also bear the "Donation Seal of the German Central Institute for Social Issues (dzi)" – the TÜV for charity collectors.

With the rise in revenue from church payroll tax, the proportion of the established church's income derived from donations has steadily decreased, although collections are still taken in churches every Sunday. However, as the number of churchgoers falls, less money goes into the collection plates.

The former chairman of the Council of the Protestant Church in Germany, Regional Bishop Hermann Dietzfelbinger, remarked at the time that there would be no problems with rising church tax revenue as long as the ratio be-

[159] FG Rhineland-Palatinate, judgment of 10 January 2000, DStRE 2000, 399; cited from: *Deutsche Stiftungen. Newsletter of the Federal Association of German Foundations*, Issue 3/2000, pp. 66–67.

tween church tax and voluntary donations remained 'healthy'.[160] Whereas the ratio between church tax revenue and donations in the EKD was still 2:1 in 1952, by 1968 it had already fallen to 4.5:1 and by 1984 stood at just 21:1. (It is said to have risen to 5.5:1 in 1993.)

In real terms, this small proportion of donations still amounted to DM 249 million for the EKD in 1984.

This is comparable to the amount that the Dutch state paid (in 1981) as a one-off settlement to the Dutch churches when it finally ceased state payments to the churches.

Income from donations is said to have reached a total of 2.4 billion in 1993 within the constituent member churches of the EKD (1.5 billion) and the Catholic Church (900 million).

The cumbersome phrasing, 'within the established church' or 'donations reported in the budgets', is necessary so as not to confuse these figures with those of other organisations which, whilst belonging either directly or indirectly to the church, are formally and financially registered associations (e.V.) and have their own budgets. It is therefore only surprising at first glance that the reported donation figures for the Catholic Church are lower than those for the Protestant churches.

This is not the place to pay tribute to the work of these denominational aid organisations – for it is precisely they who, often under difficult conditions, actually practise what a normal person imagines when thinking of aid and Christian charity. Our focus remains 'crudely' on the finances.

The charitable sector in Germany is highly competitive. The estimated annual turnover in the charitable sector stood at 10 billion marks (in 1994), with a multitude of organisations vying for this sum. At the end of 2000, the German Donations Institute in Krefeld had 8,537 organisations documented in its 'Register of German Donation Organisations'. However, only 239 of these fundraising organisations had 'made a minimum amount of information public'.[161]

120 organisations have passed the donation audit and hold the DZI donation seal, which means that their administrative costs account for only a small proportion of the donations received and that these organisations are genuinely engaged in charitable work.

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[160] cf. Martens, *How Rich Is the Church?*, p. 62.
[161] http://www.spenden.org/rds/index.htm

The clever and tried-and-tested idea behind this marketing is the proclaimed 'good cause'. The precise dividing line between fundraisers/beggars – as well as the established church/sects, the navy/pirates, etc. – lies not in the activity per se – which is the same for all possible 'pairs' – but in the purported personal 'altruism' or in the 'service to the community' of those who are doing something positive – in contrast to the self-centredness or profit-motivation of the actions of the others – who are then also accused of having base, self-serving motives.

In both denominational sectors, permanent fundraising organisations have been established for more than forty years. We shall confine ourselves here to organisations operating internationally (as it would be beyond the scope of this discussion to examine all some 9,000 fundraising organisations registered in Germany to determine which are denominational and which are not) and distinguish between relief organisations and missionary organisations.

7.1. Charities

7.1.1. Brot für die Welt and Misereor

'Brot für die Welt' is the name of the relief campaign run by the Council of the Protestant Church in Germany in conjunction with the Protestant Free Churches (and the Old Catholics). Formally, this aid initiative is a subdivision of the Diakonisches Werk der EKD e.V. *Misereor* is the (to use the correct designation) 'Bischöfliche Hilfswerk Misereor e.V.' of the Catholic dioceses in Germany. Donation income, which has grown steadily over the years (though is currently falling), amounted to around 230 million marks (in 2000) for the two aid organisations.

Overview 59: Fundraising results for Brot für die Welt / Misereor 1959 to 2000 (in DM)

Year	Brot für die Welt	Misereor	Total
1959	14,600,000	35,300,000	49,900,000
1969	31,100,000	58,000,000	89,100,000
1979	53,100,000	111,700,000	164,800,000
1989	96,007,000	141,300,000	237,307,000
1998	109,918,000	129,200,000	239,118,000
2000	108,278,000	120,700,000	228,978,000

Sources: Brot für die Welt: 1959–1994, Church Yearbook for the Protestant Church in Germany 1994, p. 398, and annual reports of Brot für die Welt 1998 and 2000; Misereor: annual reports 1998 and 2000.

Whilst the Protestant organisations were initially (in 1959) able to raise less than half of what was donated in the Catholic sector, the total donations for both organisations currently amount to between 110 and 120 million marks per year.

However, donations are only one source of income. The total income for both organisations is made up of various other contributions.

Notable in *Misereor's* 1998 figures is the high proportion of DM 149 million from tax revenue (development aid) and the low own contribution of just DM 25 million, which is contributed from the dioceses' budgets.

Overview 60: Misereor's funding 1998 / 2000 (in DM)

Income	*1998*	*%*	*2000*	*%.*
1. Donations				
Misereor Lenten collection	71,200,000	*23.0*	64,800,000	*22.0*
Direct donations to Misereor	58,000,000	*18.7*	55,900,000	*19.0*
Subtotal donations	*129,200,000*	*41.7*	*120,700,000*	*41.0*
2. Interest	6,800,000	*2.2*	6,600,000	*2.2*
3. Church budget funds	25,000,000	*8.1*	23,700,000	*8.1*
4. Central Government for Development Aid	148,800,000	*48.0*	143,100,000	*48.7*
of which: Federal Government	*143,700,000*	*46.4*	*137,400,000*	*46.7*
European Union	*5,100,000*	*1.6*	*5,700,000*	*1.9*
Total	309,800,000	*100*	294,100,000	*100*

Source: Misereor: Annual Report 1998, p. 50 and Annual Report 2000, p. 34.

Why the charity, with 8% coming from diocesan funds, is called the *'Bishop's* Charity Misereor' remains inexplicable, as 42% is paid directly by ordinary believers and a further 48% comes from state funds.

The fact that 1998 is no 'outlier' is demonstrated by the trend in income (excluding interest): initially, it consisted solely of donations; then state funds began to flow in; and only subsequently were church budgetary funds added. It is noteworthy how *denominational* aid organisations (taking *Misereor* as an example) 'take credit for others' work', i.e. increasingly rely on state tax revenue, whilst the proportion from church budget funds remains the same.

Since 1990, a 'formula' appears to have become established: around 50% from tax revenue, 42% from direct donations and 8% from episcopal grants.

It is against this backdrop of dependence on state funds that the Misereor Executive Director's criticism of the government must be understood: 'Once again, the Federal Government is restricting the scope for action in development cooperation through massive budget cuts. [...] I therefore call on Chancellor Schröder to pursue a credible policy of securing a sustainable future." [162] The state grant for Misereor was cut by 3.6% from 1999 to 2000.

[162] Misereor Annual Press Conference: *Statement by Chief Executive Prof. Dr Josef Sayer*, at: http://www.misereor.de (Press Releases)

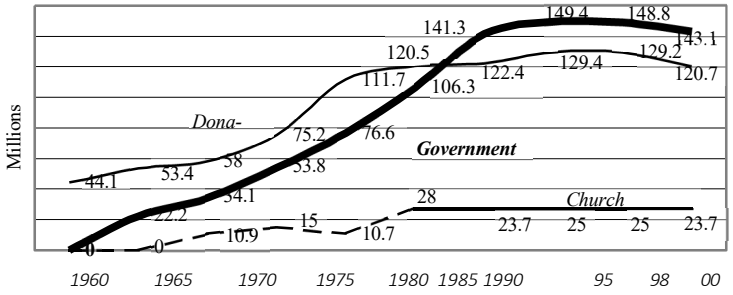
However, he criticism of the Federal Government, the fact that the grant from church budgetary funds was cut by 5.2% over the same period.

Overview 61: Misereor income (excluding interest) 1960 to 2000 (in millions of DM)

Year	Do-	of 100%	State funds		Church		Total
1960	na-		0		0		44.1
	tions						
	44.1						
1965	53.4	*70.6%*	22.2	*29.4%*	0		75.6
1970	58.0	*56.3%*	34.1	*33.1%*	10.9	*10.6%*	103.0
1975	75.2	*52.2%*	53.8	*37.4%*	15.0	*10.4%*	144.0
1980	111.7	*53.4%*	76.6	*36.7%*	20.7	*14.4%*	209.0
1985	120.5	*47.3%*	106.3	*41.7%*	28.0	*11.0%*	254.8
1990	122.4	*42.6%*	141.3	*49.2%*	23.7	*8.2%*	287.4
1995	129.4	*42.6%*	149.4	*49.2%*	25.0	*8.2%*	303.8
1998	129.2	*42.6%*	148.8	*49.1%*	25.0	*8.3%*	303.0
1999	117.6	*40.4%*	148.6	*51.0%*	25.0	*8.6%*	291.2
2000	120.7	*42.0%*	143.1	*49.8%*	23.7	*8.2%*	287.5

Source: Misereor: Annual Report 1998 (p. 51), 2000 (p. 34)

Diagram 7: Misereor income 1960 to 2000



A breakdown of the proportions and sources of funds disbursed for projects is also telling. Whilst 62.4% of project grants in 1998 were financed from state funds, only 37.6% came from donations and church budget funds. As not all income can be passed on immediately, in the comparison between income and expenditure, 'external funds' are spent immediately, whilst a portion of the donations is first set aside.

Let us now consider the Protestant organisation *Bread for the World*. The donations are not only direct donations from private individuals to *Bread for the World*, but also funds derived from 'collections by church congregations,

campaigns and initiatives by parishes, schools, action groups, companies, Protestant Free Churches, Mennonites, Old Catholics, etc. [163]

Overview 62: Funding sources of 'Brot für die Welt' in 1998 and 2000 (in DM)

Source	*1998*	*%*	*2000*	*%*
1. Donations	104,369,391	*67.3*	105,175,793	*73.5*
Bequests	5,548,807	*3.5*	3,102,629	*2.2*
2. Public funds	5,438,198	*3.4*	13,238,269	*9.2*
of which: fines	*287,567*		*446,504*	
European Union	*779,514*		*1,029,666*	
Other grants	*1,820,969*		*3,352,785*	
Staff and material costs grant 2,550,148			*8,409,314*	
3. Church budgetary funds	22,658,450	*14.5*	6,972,715	*4.8*
of which: KED funds	*18,092,450*		*6,072,715*	
KED grant for advertising / Expo	*1,831,776*		*900,000*	
KED grant for staff	*2,734,224*		-	
4. Proceeds from information material	1,226,382	*1,1*	942,415	*0.7*
5. Interest	15,864,549	*10.2*	13,726,257	*9.6*
Total	155,105,777	*100*	143,158,078	*100*

Source: Brot für die Welt: "Annual Report 1998", p. 30 and "Annual Report 2000", p. 32

However, the low proportion of state grants (3.4% and 9.2% respectively) for *Brot für die Welt* need not concern us at this stage. The principle of "operational diversification" of its various institutions and organisations is simply a different system within the EKD compared to that of the Catholic Church.

From 1 January 2000, the EKD consolidated its various development work institutions into a kind of holding company (Protestant Development Service – EED). However, *Brot für die Welt* had to remain outside this structure, as "we are keeping the *Brot für die Welt* campaign as a fundraising initiative within the transparency it enjoys within the structures of the Diakonie." A structural change would "trigger mistrust".[164] Why?

In addition to the two 'official church' aid organisations, both of their welfare associations have also set up (disaster) relief organisations.

However, it is questionable why further aid and disaster relief organisations need to be established alongside the German Red Cross, as it surely cannot be a matter of promoting a denominational profile when helping people in need.

[163] *Kirchliches Jahrbuch*, 1994, p. 398 ff.

[164] Dr Hans-Otto Hahn, Director of the Ecumenical Diaconia Department of the Diaconal Work of the EKD, in: *der überblick*, quarterly journal of the AG KED, 3/99 (September 1999), p. 130.

7.1.2. Caritas International

"Caritas International sees itself as part of the international Caritas network, which, with 154 partner organisations around the world, is one of the largest of its kind." And: "The core task of Caritas International is emergency and disaster relief, which is primarily provided through Caritas partner organisations in the affected countries."[165]

Aid has been provided in 84 countries to date. In 70 of these countries, one of the aims of the aid was: "promoting partnership structures".

In 1999, aid was required particularly in Kosovo and in Turkey following the earthquake, and donations doubled compared with the previous year and with 2000.

Overview 63: Caritas International income in 1999 and 2000 (in DM)

Revenue	*1999*		*2000*	
Donations	109,380,026	*62.3%*	54,672,915	*44.5%*
Inheritances, bequests	619,508	*0.4%*	150,697	*0.1*
Interest income	6,701,472	*3.8%*	5,781,529	*4.7%*
Other	66,933	*0.04%*	4,075	*0.0%*
Church budget funds	16,235,548	*9.3%*	18,437,886	*15.0%*
European Caritas organisations	10,367,626	*5.9%*	17,730,795	*14.4%*
Government grants	32,081,520	*18.3%*	26,157,069	*21.3%*
- Federal Government	*22,205,616*		*22,416,369*	
- European Union	*9,027,904*		*3,730,700*	
- Federal states	*848,000*		*10,000*	
Total	175,452,633	*100%*	122,934,966	*100%*

Source: Caritas International: Annual Report 2000, p. 28

From the point of view of 'parity', the Protestant sector cannot, of course, leave the field entirely to its Catholic rivals.

7.1.3. Diakonie Disaster Relief

Diakonie Katastrophenhilfe is an independent organisation of the Diakonie of the EKD. Founded in 1959, it has been a member since 1995 of ACT (*Action by Churches Together*), established by the World Council of Churches (WCC) and the Lutheran World Federation (LWF), which brings together over 200 Protestant churches and church relief organisations worldwide. A quarter of the ACT budget is contributed by *Diakonie Katastrophenhilfe*. Its work is closely intertwined with many aspects of *Brot für Welt,* and on the ground, Diakonie and Caritas often pull in the same direction.[166]

Overview 64: Income of Diakonie Katastrophenhilfe in 1999 and 2000

Income	*1999*		*2000*	
Donations	59,024,776	*74%*	24,135,750	*53.9%*
Brot für die Welt / Disaster Relief Fund	9,300,000	*12%*	11,124,761	*24.8%*

[165] Caritas International: *Annual Report 1999*, p. 23.
[166] Diakonie Katastrophenhilfe: *Annual Report 1999*, p. 4.

Interest	-		2,616,414	*5.8%*
Other income	-		941,574	*2.1%*
Church Development Service	883,187	*1%*	297,315	*0.7%*
Public funds	8,361,495	*11%*	3,532,313	*7.9%*
- Federal Foreign Office (Humanitarian Aid)	*849,000*		-	
- BMZ (Emergency and Refugee Aid)	*6,476,440*		*2,787,201*	
- City of Wiesbaden / Wuppertal	*500,000*		*210,717*	
- EU (Humanitarian Aid / ECHO)	*536,055*		*534,395*	
Contributions from religious third parties	1,687,292	*2%*	2,126,476	*4.8%*
- German Caritas Association	*1,160,500*		*949,999*	
- Other organisations	*173,739*		*1,176,477*	
Total	79,256,750	*100%*	44,774,603	*100%*

Source: Diakonie Katastrophenhilfe: Annual Report 1999, p. 6 (Earmarked contributions) and Annual Report 2000, p. 16 (Sources of funding)

The differences between the two years' income are mainly due to the approximately DM 35 million lower level of donations in 2000.

When comparing the two Protestant aid organisations with the two Catholic ones, it is striking that whilst the Catholic organisations receive significantly more direct state subsidies, the Protestant ones are more stable in terms of donation income and are evidently not as severely affected by the decline in church attendance (=collections).

Alongside these major aid organisations, there are also other large ones, then medium-sized ones, and finally the smaller ones, which operate largely without state subsidies as they are engaged in an explicitly stated and direct missionary mandate: "The Church, as a global institution, must also engage globally." (Msgr. Dr Dieter Spelthahn, Executive Director of the *Episcopal Action Adveniat*.) One could also regard the Protestant organisation *Bread for the World* as a missionary organisation, given that Rev. Dr Hans-Otto Hahn (Director of *Bread for the World* for 30 years and Vice-President of *the Diakonisches Werk*) sees the organisation's task as "being able to work with reliable partners in Asia, Africa and Latin America who come from the local church communities and are complemented by secular non-governmental organisations."[167] In this sense, they were also politically exploited by the Federal Government during the "Cold War".

[167] Brot für die Welt, *Annual Report 1998*, p. 3.

7.2. Mission organisations

"He who pays the piper calls the tune..."
(Peoples wisdom)

The fundamental values of the Christian religion include not only helping the (politically correct) weak and needy in this world, but also, based on Jesus Christ's *"missionary mandate"* (*Great Commission,* Matthew 28:18–20), the conversion of those of other faiths and 'non-believers'. However, I sometimes get the impression that the two German churches feel they must take on this mission on behalf of the whole of Christendom.

The days when emperors (*Charlemagne* and Charles V) and kings (of Spain) still waged their policies of power and subjugation with sword *and* cross are over in that form. The fact remains, however, that Christian missionaries, with their 'mission to preach', still intervene today – whether intentionally or out of naivety – in established political and cultural systems and, by destroying political, cultural and religious unity, also destabilise political systems.

The lack of sensitivity towards the sensitivities of non-Christian cultures becomes understandable when one translates the word 'Catholic' (from the Greek: katholikos) into English: 'all-encompassing, embracing the whole world', and also considers the Evangelical Working Group, whose fundamental belief is that only Christians are people willed by God. Consequently, there is no contradiction in the fact that this mission was established not only peacefully, but often with the help of armed imperial colonial powers.

Whilst in the Catholic sector mission and development aid are organisationally distinct from one another, in the Protestant sector there is a cross-cutting and interlinked relationship between mission and development aid, which makes a clear distinction between the two difficult to achieve.

7.2.1. Catholic Mission Societies

Catholic mission work is coordinated by the *German Catholic Mission Council* (DKMR). Its members comprise the 27 dioceses, 10 papal or episcopal organisations for the universal Church, 8 missionary institutes, 60 missionary orders of priests and brothers, and 96 missionary orders of women. Development aid is coordinated by the Catholic *Central Office for Development Aid (KZDE)*. This clear distinction is based, among other things, on the fact that the missionary organisations receive no (or hardly any) public funding, whereas development aid is predominantly financed from public funds.

ADVENIAT

The episcopal campaign ADVENIAT is the annual collection held during Advent, i.e. the Christmas collection by Catholics for the Church's pastoral care in Latin America. It sees itself as "an advocate for justice (for the poor of Latin America) and a herald of the Good News at the same time. "Adveniat aid enables people in Latin America to discover their dignity, strengthens their awareness as responsible Christians and creates the conditions for the necessary social change."[168] After five hundred years of Catholic rule in Latin America, it seems high time for this.

In concrete terms, the aid is used to expand Catholic structures. Of Latin America's 473 million inhabitants, 415 million are counted as Catholics – that is, roughly half of all Catholics worldwide – for whom there are 757 dioceses with 25,052 parishes, in which 58,000 priests work, led by 179 archbishops and 887 bishops, supported by 8,800 monks and 129,000 nuns.

Established in 1961, this collection had already raised DM 50,156,301 by 1968 and rose steadily year on year.

Overview 65: ADVENIAT revenue for 1999 and 2000 (in DM)

Type of income	*1999*	*%*	*2000*	*%*
1. Collections, donations	119,397,727	*74.0*	116,028,219	*68.8*
Sponsorship donations	4,517,941	*2.8*	4,223,236	*2.5*
Other earmarked donations	6,160,928	*3.8*	6,165,117	*3.7*
Project partnerships	390,312	*0.3*	505,610	*0.3*
Subtotal donations	*130,466,908*	*80.9*	*126,922,182*	*75.3*
2. Withdrawal from the reserve of the Priests' pensions	8,688,169	*5.4*	25,527,844	*15.2*
3. Grants from church bodies	9,262,840	*5.7*	4,425,586	*2.6*
4. Interest income	5,800,340	*3.6*	5,764,690	*3.4*
5. Other	287,143	*0.2*	259,736	*0.2*
6. Grant from project funds	6,839,659	*4.2*	5,616,369	*3.3*
Total	161,345,059	*100*	168,516,407	*100*

Source: http://www.adveniat.de/bericht99/jahres.htm and Annual Report 2000, p.8

At ADVENIAT, too, donations are falling (by 2.7%) and grants from church budgetary funds (by 52%). The improved overall result of DM 169 million in 2000 can only be achieved through a higher withdrawal from the priests' pension fund.

missio

Founded in 1832 by the Aachen-based doctor Heinrich Hahn as the 'Franziskus-Xaverius-Verein zur Unterstützung der katholischen Missionen' (St Francis Xavier Society for the Support of Catholic Missions) and, in parallel, in Munich by the Bavarian King Ludwig I, the mission societies were merged by Rome in 1922

[168] http://www.adveniat.de/infos/infos.htm

to form the "Pontifical Society for the Propagation of the Faith", and since 1972 both societies (in Aachen and Munich) have been known as *missio* (International Catholic Mission Society). The geographical focus of their work is on Africa, Asia (particularly India) and Oceania. Total income (2000) amounted to 173 million DM.

Overview 66: missio income, annual accounts for 1998 and 2000 (in DM)

Type of income	*1998*	*%*	*2000*	*%*
1st collection for World Mission	18,445,650	*10.3*	18,178,983	*10.5*
Epiphany collection for Africa	4,155,642	*2.3*	4,304,580	*2.5*
Mission Sunday in the parishes	362,710	*0.2*	247,061	*0.1*
Membership fees	6,887,537	*3.9*	6,319,297	*3.7*
Donations for special campaigns	60,082,481	*33.6*	52,623,074	*30.4*
Donations for educational support	21,069,541	*11.8*	23,599,707	*13.7*
Priests Help Priests Campaign	4,153,124	*2.3*	4,121,388	*2.4*
Subtotal donations	*115,156,685*	64.4	*109,394,090*	63.3
1. Church tax funds	51,247,722	*28.7*	50,064,128	*29.0*
2. Discounts, interest	12,368,245	*6.9*	13,255,503	*7.7*
Total revenue	*178,772,652*	*100*	*172,713,721*	*100*

Source: missio "Accountability Report 1998" and "Accountability Report 2000", p. 1

The volume is of the same order of magnitude as that of ADVENIAT. However, the official share contributed from church tax funds (which is also being reduced) is around ten times higher. Of the total income, the amount raised purely from donations for *missio* (1998) was DM 115,156,685 and fell (in 2000) to DM 109,394,090.

Renovabis

Within the Catholic world mission, *Adveniat* is designated for the Americas, *missio* for Africa and Asia. Yet there remains an 'atheistic' region on the globe: Eastern Europe and Russia. Renovabis is responsible for this, "the solidarity initiative of German Catholics with the people of Central, South-Eastern and Eastern Europe."[169]

Founded in 1993 by the German bishops at the suggestion of the Central Committee of German Catholics, Renovabis maintains contact with partners in the Church and society in 27 Central and Eastern European countries. "Its name says it all: 'Renovabis faciem terrae – You renew the face of the earth' (Psalm 104)."

Total income (in 2000) amounted to 74 million marks, of which 4.34 million marks came from public funds. The surprising thaw in public subsidies for a

[169]http://www.renovabis.de

Catholic missionary organisation can be explained by grants for emergency aid projects in crisis areas.

Overview 67: Renovabis revenue 1998 and 2000 (in DM)

Revenue	*1998*	*%*	*2000*	*%*
1. Collections	18,870,000	*25.2*	15,982,568	*21.6*
2. Donations and legacies	5,960,000	*7.9*	7,150,137	*9.6*
Subtotal donations	*24,830,000*	*33.1*	*23,132,705*	*31.2*
3. Church budget funds	38,000,000	*50.6*	37,084,000	*50.0*
4. Grant from Caritas	-		1,995,000	*2.7*
5. Public funds	1,350,000	*1.8*	4,340,000	*5.9*
6. Funds from the Diaspora Commission	8,500,000	*11.3*	4,840,000	6.5
7. Mass stipends	310,000	*0.4*	293,992	*0.4*
8. Interest and other income	2,090,000	*2.8*	2,426,080	*3.3*
Total	75,080,000	*100*	74,111,777	*100*

Source: Renovabis 'Annual Report 1998', p. 16 and 'Annual Report 2000', p. 22.

It is also worth noting here the decline in income from collections and the rise in individual donations and legacies/bequests.

The high proportion of funding from church budgets highlights the church-political objectives of this missionary work in Eastern Europe, which the faithful evidently do not regard as particularly urgent, given that donations account for just under a third of the total income.

Within the Catholic sector, however, funds are certainly shuffled back and forth: The 1998 Misereor balance sheet lists the following under assets: "Receivables from the Federal Ministry for Economic Cooperation and Development on behalf of Renovabis (BMZ) – Item 68612: DM 2,290,500."

However, when it comes to Christian mission territories around the world, we have overlooked one area that very few people know about or would suspect is a mission territory: Germany. A special mission organisation was established for this 'pagan' region.

Bonifatiuswerk of German Catholics

The *Bonifatiuswerk* was founded in 1849 as the "Missionary Society for Germany under the name Bonifatius-Verein" and recognised by the Pope in 1852. It is, so to speak, the counterpart to *the* Protestant *Gustav-Adolf-Verein* – founded in 1842 – which supports Protestant congregations in predominantly Catholic areas. In 1869, members of the executive committee founded the *Bonifatius Printing House*, the net profits of which were to be used for pastoral care of the diaspora.[170]

[170] See http://www.bonifatiuswerk.de/werk/geschich.html

The mission of this organisation is to strengthen Catholic communities in the *German* diaspora, that is, where Catholics are in the minority. Today, for example, this includes the mission areas north-east of the River Weser, in particular the Archdiocese of Hamburg and all the eastern federal states. This does, however, suggest that the Christian solidarity-based financial equalisation between rich and poor dioceses in Germany is not working particularly well.

Since 1995, in consultation with *Renovabis*, the Bonifatiuswerk has also been supporting the Baltic diaspora in Estonia and Latvia. The focus is on aid for the construction of churches, chapels, schools and parish halls, the purchase of vehicles for pastoral work, and in the areas of pastoral care for children and young people.

The 'fundraising days' for the Bonifatiuswerk are the collections on White Sunday, at Confirmation and on Diaspora Sunday in all German dioceses.

Even though donations from 1998 to 2000 – as well as grants from church budgets – have fallen, interest income and sales have enabled the total revenue to be maintained at around DM 30.5 million.

Overview 68: Bonifatiuswerk income 1998 and 2000 (in DM)

Revenue:	*1998*	*%*	*2000*	*%.*
A. Via the dioceses				
Collection on Diaspora Sunday	5,886,021	*19.3*	6,080,747	*19.9*
Other collections	5,665,756	*18.6*	5,923,650	*19.4*
Contributions and donations from members	843,419	*2.8*	828,691	*2.7*
B. Direct income				
Donations	8,117,899	*26.6*	6,818,370	*22.4*
Bequests, donations	6,265,264	*20.5*	5,747,946	*18.9*
Subtotal donations	*26,778,359*	87.7	*25,399,404*	83.3
Interest income	698,017	*2.3*	2,387,383	*7.8*
C. Special Episcopal Aid	2,500,000	*8.1*	1,767,000	*5.8*
D. Stock take / sales	595,884	*1.9*	937,390	*3.1*
Total	30,572,260	*100*	30,491,177	*100*

Source: http://www.bonifatiuswerk.de/bilanz and 'Annual Report 2000', pp. 3 and 7.

An examination of the figures for donations under 'Direct Income' (1998: 8.1 million) reveals the Church's dilemma regarding how to shield income from taxation, as these 'donations' are in reality income from its own economic activities. For instance, under the heading 'Information Material', one can purchase the 500-page commemorative publication on the history of the Bonifatiuswerk, 'Zeugnis von Christen für Christen' (Testimony of Christians for Christians), for a 'donation of DM 78' – a declaration of commercial income as tax-exempt 'donations', which also applies to the following mission-operates.

For in addition to the organisations mentioned, there is also an overarching international missionary organisation that carries out grassroots work. It provides, so to speak, a global Catholic religious education for children.

Pontifical Mission Society of the Children in Germany

Every year, thousands of 'little kings' (children) travel through the dioceses as 'carol singers' in aid of the *Pontifical Mission Society of the Children in Germany* (headquarters in Aachen), with the support of *the Federation of German Catholic Youth* (BDKJ).[171]

Members of the Children's Missionary Society e.V. include, alongside the Catholic Youth, *Adveniat, Caritas, Misereor, missio, Renovabis* and the *German Bishops' Conference*. Its remit comprises international aid projects so that, through this material assistance, 'as many of God's children as possible may receive the Good News' worldwide. The following tasks are listed for the different types of projects (in this order): evangelisation / rehabilitation programmes / facilities for children / health / education / nutrition programmes / disaster relief and other activities. The collection campaign is carried out by children dressed in colourful costumes (the 'Three Kings'), who go from house to house as part of the *Dreikönigssingen campaign*, singing, asking for money and then painting their '20 + C + M + B + (year)'. Caspar + Melchior + Balthasar was derived in popular usage from 'Christus Mansionem Benedicat' (May Christ bless this house/home).[172]

Although collections rose from 1999 to 2000, the total income of the Children's Mission Society also fell from DM 106 million to 100 million.

Table 69: Total revenue of the Children's Mission Society in 1999 and 2000 (in millions of DM)

	1999	*2000*
Three Kings' Singing Campaign	55.4	58.4
Project partnerships	27.1	34.0
Membership fees, children's donations (pocket money)	4.3	4.5
Administrative income, other donations	19.2	3.1
Total	106.0	100.0

Source: http://www.sternsinger.de (press release 15 March 2000) and Kindermissionswerk/Die Sternsinger: "Report on the 2001 Epiphany Singing Campaign", p. 23

Missionary orders

Donations received by missionary religious orders have not been taken into account to date. A more detailed breakdown by the various organisations and the composition of the donations is however, this is not possible. In total, the religious orders raised DM 215.8 million (in 1995).[173]

[171] http://www.kath.de/bistum/speyer/presse/index.htm, dated 2 August 1999

[172] http://www.sternsinger.de; all further information is also available there.

[173] Secretariat of the German Bishops' Conference (ed.): Church Handbook. Statistical Yearbook of the Dioceses and Equivalent Ecclesiastical Local Authorities within the German Bishops' Conference. Volume XXXIV: 1995 and 1996. Cologne: Bachchem, 2000, p. 206.

Other Catholic charitable organisations

In addition to these 'official' missionary societies, there are also a number of charitable organisations within the Catholic sector where it is almost impossible to distinguish between mission work, development aid and relief work. A review of the data in the German Donations Register and the organisations' own descriptions of their mission identified thirty organisations that can be classified as belonging to the Catholic sector. They range from *Adelante San Gerardo* (DM 14,000) to the *German Leprosy Relief Organisation* (DM 29 million) in terms of donations.[174]

Overview 70: Income and assets of smaller charitable organisations in the Catholic sector (in TDM)

Org. *)	*Year*	Members and donations	Penance funds	Investment income	Public Grants	Other Income	Assets **)	Total -total
A5	*1995*	71	0	0.4	7	1	*9*	89
Nobility.	*1997*	14	0	0	0	0	0	14
A.C.	*1999*	1,134		69	189	3	1,666	3,061
AKN	*1997*	1,200	0	0	0	0	0	1,200
Asia	*1996*	22	0	300	122	318	1,165	1,927
Doctors	*2,000*	8,162	2,310	154	4,774	0	*3,850*	19,250
DKÜ	*1996*	731	0	0.4	60	0	*10*	801
Dahw	*2000*	28,529	774	5,803	1,410	3,845	*145,072*	185,433
HHN	*1999*	1,117	8	0.4	580	143	291	2,139
India	*1998*	87	0	0	329	31	0	447
Child	*1995*	1,194	4	48	0	7	1,241	2,494
N.L.	*1996*	640	16	0.8	0	0	47	704
UKBS	*1996*	5,513	0	9	1	1	*218*	5,742
Totals		48,414	3,112	6,385	7,472	4,349	153,569	223,301

Source: Register of German Charities or data provided by the organisations

**) A 5 = action five e.V. Bonn / Adel = Adelante San Gerardo, Giving Hope in Potosí (Bolivia) / A.C. = Aktion Canchanabury Leprahilfe Hans Reinhardt e.V. / AKN = Aktionsgruppe Kinder in Not e.V. / Asia = Asia Foundation / Doctors = Doctors for the Third World e.V. / DKÜ = Surviving the War / dahw = German Leprosy Relief Organisation / HHN = Human HELP NETWORK e.V. Children's Aid Organisation / Indi = Indian Aid in Paraguay e.V. / kind = Kinderdorf Rio e.V. / N.L. = New Life South America e.V. / UKBS = Our Little Brothers and Sisters e.V.*

***) Figures in italics: Own calculations (based on 4%).*

[174] The 'O' appearing in the following three overviews of smaller charitable organisations could also be replaced by 'no data', as the figures from the German Charities Register do not distinguish between these two possibilities.

The rule applies: the more public subsidies are drawn upon, the less clear the organisation's religious orientation becomes and the more intensely the 'humanitarian card' is played: emaciated elderly people or – particularly popular – black children with wide eyes look imploringly at those being asked to donate.

In total, these thirteen smaller organisations generate combined donations of DM 48 million and receive DM 7.4 million in taxpayers' money.

7.2.2. Protestant Mission Societies

The extent to which the distinctions between objectives become blurred is particularly evident in the Protestant sector.

Due to the tightening financial situation caused by declining church tax revenue, the 'International Division' – the *Working Group of Church Development Services* (AG KED) – was reorganised within the EKD on 1 January 2000 and the *Protestantt Development Service* (EED) was founded. The previously independent organisations were brought together under one umbrella. Members are:

- *Diakonie Katastrophenhilfe* of the Diakonisches Werk of the EKD.
- *Evangelische Zentralstelle für Entwicklungshilfe e.V.* (EZE). Founded in 1962, 'after the (CDU) federal government had offered the churches funding from federal resources to support their development work'.[175] Overseas partners are primarily churches, ecumenical networks and non-governmental organisations. 'The EZE works with state development aid funds and is supported in its tasks by the Church Development Service (KED).'
- *Church Development Service* (KED), founded in 1968 by a resolution of the Synod of the Protestant Church in Germany (EKD). Its work focuses, among other things, on strengthening church-run structures overseas. The KED's funds come from contributions by the regional churches, which are providing funds for this purpose, albeit with a downward trend.
- *Dienste in Übersee e.V.* (dü). Founded in 1969 and responsible for placing specialist staff in development programmes. DÜ works with funding from the *Church Development Service* (KED), the *Protestant Central Office for Development Aid* (EZE) and *Brot für die Welt*.
- *Evangelisches Missionswerk* (EMW), the "Ecumenical Missionary World Service" of the EKD. Founded in 1975 as the umbrella organisation for the regional church mission societies, the EKD and the Protestant Free Churches, it is responsible for theological training, church social work, Christian youth work and public relations on the subject of ecumenism and mission. The EMW operates with funds from the Church Development Service (KED) (contributions from the regional churches) and its members.

[175] This and the other quotations and data: Brot für die Welt, *Annual Report 1998*, p. 29.

The aid organisation *Brot für die Welt* was not brought under the umbrella in order not to alienate humanitarian-minded donors. Internally, however, this is not a concern.

This consolidation (or amalgamation) of the previously independent organisations—relief agencies, development aid organisations and mission societies—into a single body highlights their shared purpose.

A look at revenue figures from 1996 to 2000 reveals a trend similar to that in the Catholic sector, with church funds declining and the proportion of tax revenue increasing.

Whilst the 'state share' stood at 52.8% in 1996, by 2000 it had risen to 60.8%. Correspondingly, grants from the regional churches fell from 47.2% to 39.2%.

Table 71: Funding sources: AG KED (1996–1999), EED (2000) (in million DM)

Year	*1996*	*1997*	*1998*	*1999*	*2000*
Government funding (EZE)	170.6	164.2	150.1	147.9	157.6
	52.8%	*55.5%*	*56.6%*	*58.9%*	*60.8%*
Church funds (KED)	152.7	131.5	115.0	103.1	101.5
	47.2%	*44.5%*	*43.4%*	*41.1%*	*39.2%*
Subtotal	323.3	295.7	265.1	251.0	259.1
Bread for the World	135.1	116.6	110.6	104.2	9.8

Sources: AG KED Annual Reports 1996, 1997, 1998 and EED Activity Reports 1999, 2000

The Protestant sector faces the additional problem that, although the EKD traditionally cooperates with the many Protestant 'free churches', there have been significant areas of friction for some time.

Working Group of Evangelical Organisations

One of the common platforms for many Free Churches is the *Evangelical Alliance*. "The German *Evangelical Alliance* sees itself as a grassroots movement that promotes Christian unity and fellowship without any specific organisational structures." However, this Alliance has established independent organisations under its umbrella, including the *Working Group of Evangelical Missions* (AEM), a direct competitor to *the Working Group of Missionary Services within the Social Welfare Organisation of the Evangelical Church in Germany* (AMD), and some "can certainly still recall the disputes between the Working Group of Protestant Missions (AEM) and the EMW". In the meantime, however, "a welcome convergence has taken place" and the director of the Protestant Missionary Society notes: "I am delighted that we are now working on joint tasks."[176]

This significantly expands the circle of organisations that can be counted among the Protestant sector.

Much like at EXPO 2000 in Hanover, where, in addition to the pavilion of the two German 'state churches', the Whale Pavilion of *the YMCA, the Protestant Alliance* and *World Vision* was also erected (on the opposite side of the site), we keep the organisations separate.

The fact that the *Working Group of Protestant Missions* continues to regard itself as something special is also evident from its special mention in *the German Donations Register*, which includes 55 charitable organisations. However, only eleven of these 55 organisations have published figures on their income, and only five of them on their assets.

Overview 72: Income and assets of charitable organisations in the Working Group of Protestant Missions (in TDM)

Org. *)	*Year*	Members and Donations	Penance penalties	Capital income	Public Subsidies	Other Revenue	Exp. May	Total Total
Cbmi	*2000*	81,786	1,134	2,780	5,631	8,145	*69,499*	168,975
CfC	*1998*	4,782	0	10	0	705	2,055	7,552
Dmg	*1996*	14,605	0	0	0	391	8,070	23,066
Inter	*1996*	1,833	0	0	0	21	634	2,488
LM	*1999*	16,200	0	0	0	0	0	16,200
MM	*1996*	5,142	0	0	26	75	958	6,201
MAF	*1995*	248	0	1	0	61	118	428
RMJ	*2000*	233	0	0	251	202	0	686
SIM	*1996*	1,542	0	19	7	26	*472*	2,066
ÜMG	*1994*	2,589	0	0	0	0	0	2,589
Wy	*1996*	0	0	0	0	0	0	6,141
Totals		128,960	1,134	2,810	5,915	9,626	81,806	236,392

Source: Register of German Charities or information provided by the organisations
**) cbmi = Christoffel Blind Mission / CfC = Campus for Christ / dmg = German Missionary Society – Charity Association / inter = Inter-Mission / LM = Liebenzeller Mission / MM = Marburger Mission GmbH / MAF = Mission Flight Service e.V. / RMJ = Ring of Missionary Youth Movements e.V. / SIM = SIM – Germany e.V. German branch of the Indian Mission / ÜMG = Overseas Missionary Fellowship e.V. / Wy = Wycliffe Bible Translators*

[176] 4th Session of the 9th Synod of the EKD, 7–12 November 1999, Leipzig, *Oral Report of the Evangelical Mission Society in Germany (EMW)*, p. 1, at: http://www.ekd.de/synode99

In total, these eleven organisations generate a declared income from donations of DM 129 million and have assets of DM 82 million. Surprising are the state subsidies of DM 5.9 million for these organisations, which explicitly see themselves as mission societies.

Let us take a closer look at the largest of these organisations, which operates in the medical and humanitarian sector: the *Christoffel Blind Mission* (CBM). It "is one of the largest and oldest Christian aid organisations operating worldwide."[177] Named after Pastor Ernst Christoffel, who established the first home for the blind, deaf-mute and physically disabled in Malatia, Turkey, in 1908. (It is the counterpart to *the Catholic Blind Association*, for it is evidently not only a matter of people regaining their sight, but also of them then reading the correct Bible.) Donations[178] DM 81.8 million, state subsidies DM 5.6 million.

The *Christoffel Mission for the Blind* is a member (and specialist association) of the Diakonie of the EKD and the AEM (Association of Evangelical Missions). It is precisely this last affiliation that raises the question of whether the classification as a relief organisation is accurate, or whether it is not in fact a purely Christian missionary organisation. Apparently, the principle applies: the end – mission – justifies the means – humanitarian aid.

As an organisation, it has a 'Theological Foundation', which states that 'For the Christoffel Mission for the Blind, mission is first and foremost "God's mission"' and 'God's will is life; turning away is sin'. Finally, the Blind Mission sees itself "as a community of service comprising Christians of various denominations who, in following Jesus Christ, proclaim the message of God's love in word and deed [...] and contribute to the spread of the Gospel". To this end, 160 staff members work at the headquarters in Bensheim, where they organise the missions and collect donations.

The members of the AEM (Arbeitsgemeinschaft Evangelikaler Missionen e.V.) prioritise the following areas of work (in this order): "Training and sending out of missionaries / evangelism and church planting / training of local theologians and staff as well as Christian leaders / medical services / ..."[179]

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[177] Herbert G. Hassold on the Christoffel Mission for the Blind, in: *der überblick*, quarterly journal of the Working Group for Church Development Services (AG KED), 4/94, December 1994, p. 105.

[178] http://www.cbmi.de (*Annual Accounts 2000*)

[179] http://www.aem.de/indexdeu.htm

Other Protestant organisations

Whilst the members of the Working Group of Evangelical Missions do not normally conceal their membership, classification was more difficult for other charitable organisations working within the Protestant sector. To be included, at least one of five criteria had to apply: membership of an EKD organisation (e.g. the Diakonisches Werk), an account with a Protestant church bank (with one exception, this is the Evangelische Kreditgenossenschaft Kassel, EKK), foundation at an EKD synod, the organisation's self-presentation as Protestant-Christian, or explicit cooperation with EKD organisations.

Using these criteria, seventeen organisations were identified from the *German Donations Register* where 'chameleons' are just as prevalent as in the Catholic sector.

An example: *ORA e.V. Deutscher Hilfsfonds*. ORA (Latin: to pray) stands for 'Overseas Relief Assistance', describes itself as *an 'interdenominational* Christian relief organisation' and holds an account with the Evangelische Kreditgenossenschaft Kassel (EKK).[180] In the promotional letters, the head sometimes acts as 'mission director' (promotional letter with donation payment slip dated 5 February 2001 and the subheading 'Christian Missionary Society'), then on 12 February 2001 as 'Chairman of the Board'; the subheading of the letterhead suddenly reads 'Christian Aid organisation" and the envelopes bear the two-colour imprint "20 years ... helping people in need."

However, these 'variations' are not unusual, even if they are not normally so obvious. The public 'concealment' of *Brot für die Welt* within the network of the Protestant Mission Society is on a similar level, as is the striking fact that larger Christian fundraising organisations, which normally have two to three different bank accounts, certainly do not publish the account held with a church bank.

[180] Register of German Charities: ORA e.V., at http://www.dsk.de/rds/03783022.htm

Overview 73: Income and assets of other smaller charitable organisations in the Protestant sector (in TDM)

Org. *)	*Year*	Members and Donations	Pen-ance penal-ties	Capital capital	Public Subsidies	Other Revenue	Assets **)	Total total
A.S.	*2000*	84	0	0	0	0	34	118
A.Sü.	*1996*	2,216	15	60	486	1,567	1,866	6,210
ASW	*1999*	1,596	0	73	178	79	*1,835*	3,761
BUK	*1996*	64	0	0	349	27	*8,713*	9,153
Child	*1995*	91	0	0	0	1	35	127
CSI	*1996*	6,868	0	53	0	153	2,555	9,629
Cvjm	*1995*	2,299	0	38	60	718	*954*	4,069
DHcL	*1995*	820	0	34	0	10	1,367	2,231
Ireland	*2000*	1,389	0	25	2,308	1,793	614	6,129
FIAN	*1995*	345	0	0	0	15	0	360
H+L	*1998*	181	0	7	0	0	140	328
IAM	*1999*	51	0	1	0	0	51	103
ORA	*1999*	20,584	0	42	149	2,118	3,298	26,191
Solidar-ity...	*1996*	4	0	2	30	0	*40*	76
WKG	*2000*	728	0	12	0	35	711	1,486
WVD	*1996*	21,046	20	241	2,189	324	5,195	29,015
Totals		58,366	35	588	5,749	6,840	27,408	98,986

Source: Register of German Charities or information provided by the organisations
**) A.S. = Aktion Selbstbesteuerung e.V. – Peace through Fair Development Policy / A.Sü. = Aktion Sühnezeichen Friedensdienste e.V. / ASW = Aktionsgemeinschaft Solida-rische Welt e.V. / BUK = BUKO Pharma Campaign / Health and the Third World e.V. / Child = CHILD – Christian Children's Aid Organisation Germany e.V. / CSI = Christian Solidarity International – CSI Germany e.V. / Cvjm = YMCA – General Association in Germany e.V. / DHcL = German Aid Association for Christian Charitable Work in the Orient e.V. / Eire = Eirene – International Christian Peace Service e.V. (financial reports for the Eirene Organisation and Eirene Centre Neuwied) / FIAN = FIAN, German Section e.V. / H+L = Hope + Life e.V. / IAM = India Alliance Mission e.V. / ORA = ORA e.V. German Relief Fund / Soli = Third World Solidarity Fund e.V. / WKG = Worldwide Church of God in Germany / WVD = World Vision Germany e.V. – Christian Relief Organisation*
***) Figures in italics: Own calculation (based on 4%).*

7.3. Summary: Aid and Mission Organisations

Membership fees and donations amount to DM 1.1 billion.

Overview 74: Membership fees and donations

Organisation	*DM*
Brot für die Welt	108,278,422
Misereor	120,700,000
Caritas International	54,823,612
Diakonie Disaster Relief	24,135,750
Religious orders	215,800,000
Adveniat	126,922,182
Missio	109,394,090
Renovabis	23,132,705
Bonifatiuswerk	25,399,404
Children's Mission	96,900,000
Association of Evangelical Missions	128,960,000
Smaller Protestant organisations	58,366,000
Smaller Catholic organisations	48,414,000
Total	1,141,226,165

Interest income is in the region of DM 49 million and financial assets amount to at least DM 1.2 billion.

Overview 75: Interest income of charitable organisations / Assets

Organisation	*Interest income*	*Total assets*)*
Brot für die Welt	13,726,257	343,156,000
Misereor	6,600,000	165,000,000
Caritas International	5,781,529	144,538,000
Diakonie Disaster Relief	2,616,414	65,410,000
Adveniat	5,764,690	144,117,000
Renovabis	2,426,080	60,652,000
Bonifatiuswerk	2,387,383	59,685,000
Subtotal	*39,302,353*	*982,558,000*
Evangelical Mission	2,810,000	81,806,000
Protestant organisations	588,000	27,408,000
Catholic organisations	6,385,000	153,569,000
Subtotal	*9,783,000*	*262,783,000*
Total	*49,085,353*	*1,244,981,000*

**) Own calculation (interest = 4%) or figures provided by the organisations.*

7.3.1. State grants

In comparison with the figure provided by the Federal Ministry for Economic Cooperation and Development (BMZ), according to which the two churches are to receive DM 275 million (for 2000)[181], public subsidies for aid and mission organisations to at least DM 367 million.

[181] Federal Ministry for Economic Cooperation and Development for 2000 and 2001 at http://www.bmz.de/medien/aktuell/haushalt/haushalt_4.html

Table 76: State subsidies for aid and mission organisations

Organisation		*DM*
Brot für die Welt		13,238,269
Misereor		143,100,000
Caritas International		26,157,069
Diakonie Disaster Relief		3,532,313
Adveniat	Not specified	
Missio	Not specified	
Renovabis		4,340,000
Bonifatiuswerk	Not specified	
Children's Mission	Not specified	
Subtotal 1		*190,367,651*
Evangelical Missions Working Group		5,915,000
Protestant organisations		5,749,000
Catholic organisations		7,472,000
Subtotal 2		*19,136,000*
Subtotal 3		*209,503,651*
Protestant Development Service		157,600,000
Total		367,103,651

The discrepancies in the figures for these state grants (a difference of DM 92 million) are due, amongst other things, to the fact that

1. the Federal Ministry distinguishes between three groups under the heading 'Cooperation with non-governmental organisations (NGOs)': churches / political foundations / other non-governmental bodies. The Ministry includes, among others, Caritas, Eirene, the International Kolping Society and the Committee of Doctors for the Third World in the third group of organisations "not affiliated with either the established church or political parties".

2. Responsibilities for development policy within the Federal Government are currently spread across more than ten ministries, and

3. the *Association of German Non-Governmental Organisations for Development Policy* (VENRO) is actively engaged at both German and European level. (This association brings together 1,800 local initiatives and 85 organisations operating nationwide, and every major player is represented there through lobbying: including Arbeiterwohlfahrt, the Working Group for Development Aid, Bread for the World, the Federation of German Catholic Youth, the Christoffel Mission for the Blind, the German Commission for Justice and Peace, German World Hunger Aid, Caritas, German Leprosy Relief Organisation, Diakonie Disaster Relief, Protestant Central Office for Development Aid, FairTrade e.V., German Lions, Maltese Relief Service, Misereor, Franciscan Mission Centre, Reno-

vabis, Rotary Germany, terre des hommes, Transfair e.V., World Vision Germany e.V.[182]).

4. In Brussels, the network *'Association of World Council of Churches Related Development Organisations in Europe'* (APRODEV) also organises EU funding for the churches.

Given that, with this multitude of competitors at the state 'feeding troughs', it is quite difficult for individual organisations to get to the front of the queue, the Diaconal Work of the Protestant Churches in Germany, to name just one example, (DWEKD) has set up a Central Administration for Federal Funds (BZV), whose main task is the "optimal utilisation of third-party funding, from the drafting of the application to the statement of expenditure"[183]. To this end, five specialist staff members work at the headquarters – which, of course, moved to Berlin with the federal government – serving the ministries: BMFSFJ (Social Affairs, Women and Youth), BMI (Interior), BMA (Labour), as well as the BVA (Federal Insurance Institution) and KDA programmes (German Council for the Elderly), as there are already twenty different forms to be completed for the care sector for resettled persons alone.

The distribution across a wide variety of ministries is a further indication that, within the scope of this study, it will not be possible to capture the entire public subsidy structure which flows to the churches, their subordinate and affiliated organisations from a wide variety of plans reported only in aggregate terms.

This mix is illustrated, for example, by the financial report of the organisation *Eirene – International Christian Peace Service e.V*.

The state funds, which (in 2000) amounted to DM 2.3 million – 47 per cent of total income – originate from the Federal Ministry for Economic Cooperation and Development (BMZ: DM 965,380), the German Development Service of the BMZ (DED: DM 289,380), the European Union's Development Department (EU: DM 1,033,007), the EU's Department for General and Vocational Education and Training and Youth (DM 515) and the Federal Office for Civilian Service (BAZ: DM 10,075).

What is remarkable here is the diversity (or the network) of funding sources for this comparatively small organisation.

Similarly, income from donations by church parishes is falling, whilst state subsidies are also rising (slightly) here.

[182] See http://www.venro.org (Members)
[183] http://www.diakonie.de/a2z/foerder/bvz/index.htm

Overview 77: Income of Eirene – International Christian Peace Service e.V. 1999 and 2000 (in DM)

Source	*1999*	*2000* .
Government funding		
Project grants Federal Ministry for Cooperation and Development	638,253	965,380
- BMZ via the German Development Service (DED)	25,840	289,380
- European Union Development Department	1,345,978	1,033,007
- European Union Humanitarian Aid Office	195,583	0
EU Volunteer Programme Grants	5,513	515
- Federal Office for Civil Service	10,137	10,075
Local authority grants	35,340	0
Subtotal	*2,256,644*	*2,298,357*
Contributions and grants from member organisations		
Mennonite Central Committee, USA	1,700	2,781
Brethren Service, USA	916	1,065
International Fellowship of Reconciliation	500	0
Eirene Branch Netherlands	10,503	5,444
Eirene branch Switzerland	27,663	12,903
Eirene Branch Germany	24,462	20,400
Subtotal	*65,744*	*42,593*
Grants from churches and aid organisations		
EKD Church Development Service for the office	279,000	265,000
EKD Church Development Service for programmes	180,000	190,500
Bread for the World	362,305	399,995
Regional churches	15,300	0
Various grants	7,000	60,430
Action Group for Peace (AGDF)	35,343	34,224
Subtotal	*878,948*	*950,149*
Grants from development cooperation agencies		
Bosch Foundation	0	45,735
ICCO, Novib, Netherlands	117,013	196,794
Buco, Switzerland	119,265	35,823
Halle Peace Circle	0	59,762
Various grants	85,317	146,999
Subtotal	*321,596*	*485,113*
Donations		
Protestant and Catholic parishes	133,373	100,393
Campaign and support groups	128,174	143,143
Individual donors	771,800	782,285
Subtotal	*1,033,347*	*1,025,822*
Other income:		
Interest income	31,652	24,555
Miscellaneous income and refunds	22,703	23,677
Sales of books, posters and information material	11,932	6,959
Subtotal	*66,287*	*55,191*
Total	4,622,566	4,857,225

Source: http://www.eirene.org (Financial reports for 1999 and 2000)

7.4. Further donations and collections

In addition to these organisations, a wide variety of fundraising campaigns are regularly organised to illustrate the further donations raised at national level. A few randomly selected examples:

The 'Aktion Silbermöwe' campaign by the Kirchenzeitung for the Diocese of Speyer, the proceeds of which support 163 mission stations and projects in 38 countries. 1997 collection (in the Diocese of Speyer): DM 1.36 million.

Hunger Marches. Held since 1974, with participants asking their friends, acquaintances and relatives for a specific 'per-kilometre donation'.[184] In the Diocese of Speyer, 4,500 people took part in 25 Hunger Marches in 1998 and raised DM 1.3 million.

Südwestrundfunk (SWR) organised a summer open-air concert on Saturday, 14 August 1999, at the Speyer Technik Museum. Three marks from every ticket sold go to the Cathedral Building Association for the renovation of Speyer Cathedral. Tickets cost 35 marks.

"On Monday, 8 December, pupils from class FSS 9c at the St. Elisabeth College of Social Work in Mainz presented a donation of DM 1,000 to the representative of the Association of Catholic Institutions for Residential and Special Education in the dioceses of Mainz, Limburg and Fulda."[185]

"Over fifty young people from across the Diocese of Görlitz set a large black domino in motion last Sunday. This domino, made of around three cubic metres of cardboard, stood in front of the cathedral during Sunday Mass. (...) By making a donation, those attending the service contributed to the funding of new coordinator posts."[186]

"*Children helping children* – Kolping is on board!" Under this motto, the Kolping Youth in Markt Erlbach organised a charity day for the second time in aid of the Erlangen Parents' Initiative for Children with Cancer. (...) At two large supermarket chains, the children helped push shopping trolleys in exchange for a small donation. (...) In the end, 1,360 marks were collected."[187]

"The proceeds from the wine tasting will go towards the restoration of the historic Seuffert organ in the parish church. Tickets are available at a price of 25 marks from the Catholic parish office in Kirrweiler."[188]

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[184] http://www.kath.de/bistum/speyer/presse/sp981110.htm
[185] http://www.kath.de/bistum/mainz/mbn/mz971210.htm
[186] http://www.kath.de/benno/tdh/1997/goerl/tdhg9795.htm
[187] *Heinrichsblatt*, newspaper of the Archdiocese of Bamberg, 22 August 1999, p. 28
[188] http://www.kath.de/bistum/speyer/presse/sp9801115.htm

But the Protestants are also in good spirits.

"The Sylt Music Lovers' Association raised 170,000 marks for a new instrument within three years. When a patron donated one million marks in 1995, the contract for the new organ, costing around one and a half million marks, could be awarded."[189]

Since the appeal by the Committee for the Reconstruction of the Frauenkirche (1991), 135 million marks have been raised worldwide over eight years for the reconstruction of this monumental 'city church'. (And in 1995, the Federal Government contributed a one-off sum of 45 million marks as 'start-up funding', which it had raised from the sale of a commemorative coin.[190]) Furthermore, a total of 25 million marks in donations have been raised in recent years.

These examples could be multiplied at will, and one need only glance at one's daily newspaper to find corresponding reports or appeals.

Sometimes I get the impression that the churches and their organisations/charities no longer do anything without simultaneously and automatically publishing a call for donations. The responsible civic mindset—that one can and should only undertake, initiate and spend what one can actually finance (and which hits every ordinary citizen hard when they have overdrawn their current account)—this sense of responsibility seems to have become more than alien to the established Church, its charities and affiliated organisations.

7.5. Summary of Donations and Collections

In 1984, the EKD's spokesperson estimated that, in addition to the 249 million in collections and donations recorded in the EKD's budget plans, a further 150 million was collected within the sphere of and for the Protestant Church. No such estimates are available for the Catholic dioceses. However, if one considers the small difference between the amount of donations for *Brot für die Welt* and for *Misereor*, the 'unaccounted-for donations' within the catchment area of the Catholic dioceses are likely to be at least as high. We must, however, leave it at these estimates.

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[189] *Hamburger Abendblatt*, 12 August 1999, p. 7 ("An organ for the master. With it, it would be easy to play in a church three times the size of St. Severin in Keitum")

[190] *Federal Budget 1995*, Section 06 (Federal Ministry of the Interior), 0603 "Special Appropriations", p. 40.

In the area of donations, collections, investment income, state subsidies and reserves for aid organisations, missionary societies and church development policy, a total of around DM 3.6 billion is available within and outside the established church in Germany in a single year.

Overview 78: Donations / Interest income / Reserves / Government grants

Donations	
- of the EKD (1984)	249 million
- of the Catholic Church (estimate)	250 million
- of the major aid and mission organisations (2000)	905 million
- of small organisations (various years) Further donations	236 million
within both churches (estimate)	300 million
- Investment income	
- of the major aid and mission organisations	39 million
- of small organisations	10 million
Reerves / assets	
- of the major aid and mission organisations	983 million
- of small organisations	263 million
- State grants	
- from large aid and mission organisations*)	190 million
- of smaller organisations	19 million
- EKD Development Service*)	158 million
Total	*3,602 million.*

*) The grants from the German government and the EU to the Catholic Development Service are already accounted for under *misereor* (major aid organisations).

The actual figure is likely to be considerably higher, as a number of organisations either do not disclose their finances or have not yet been included because their affiliation is unclear. Clarifying whether, for example, SOS Children's Villages also belong to these organisations – only Christian house mothers are to be employed – would go beyond the scope of this study.

7.6. Tax deductibility of donations

By making donations tax-deductible, the state subsidises the churches and their organisations, as the logic behind the tax relief is that the volume of donations – particularly in the case of larger donations – would be lower if the donor could not use them to reduce their taxable income.

Around 2 billion marks in donations are listed for large and small aid and mission organisations. At an average tax rate of 30 per cent, the state forgoes around 600 million marks in tax revenue. This estimate corresponds to the figures in the Federal Government's 17th Subsidy Report,[191] which distinguishes between three different legal for tax relief on donations, i.e. reduced revenue

[191] German Bundestag: *Printed Paper 14/1500*, pp. 196, 206, 211.

for the state: in the Income Tax Act, the Corporation Tax Act and the Trade Tax Act.

Overview 79: State waiver of tax revenue in respect of donations

Section 10b of the Income Tax Act:	
Tax relief on expenditure for the promotion of charitable, ecclesiastical, religious, scientific and non-profit purposes recognised as particularly worthy of support, as well as on membership fees and donations to political parties	: 1,550 million
Section 9(1)(2) of the Corporation Tax Act:	
Tax exemption for donations to support charitable, ecclesiastical, religious, scientific and non-profit purposes recognised as particularly worthy of support, and donations to independent voters' associations	365 million
Section 3(9) and Section 9(5) of the Trade Tax Act:	
Tax exemption for donations made to support charitable, ecclesiastical, religious, scientific and non-profit causes recognised as particularly worthy of support (until 1990, only scientific causes)	295 million
total tax revenue shortfall	2,210 million

The estimated tax revenue shortfall of DM 600 million in favour of denominational organisations represents only 27.1 per cent of the revenue shortfall resulting from tax relief on donations – so the actual amount is likely to be higher.

7.7. Lottery funds

Even if lottery players believe it is an event designed so that one of them might win, it is and remains a state-licensed enterprise aimed at generating additional revenue – a sort of 'once-in-a-lifetime-I-must-get-lucky donation'?

The churches do not organise lotteries, as they wish to encourage pure generosity, whereas a lottery essentially lures participants with the prospect of big wins for the few. The charities, however, have not been deterred by this.

- ZDF: *'Aktion Mensch'* (until 2000 'Aktion Sorgenkind')[192] is a registered non-profit association with seven members: ZDF and the six umbrella organisations of the independent welfare sector. The net proceeds (from 558 million marks in gaming capital) amounted (in 2000) to almost 192 million marks, plus around 10 million marks in donations and around 9 million from interest income, making a total of 211 million marks.

'Aktion Mensch' refused to provide a breakdown by individual associations. According to an estimated 'market positioning' of shares: 35 (Caritas), 30 (Diako-

[192] http://www.aktion-sorgenkind.de (magazine)

nisches Werk), 12 each (German Red Cross and German Parity Welfare Association), 8 (Arbeiterwohlfahrt) and 2 (Central Welfare Office of the Jews), this would mean that Caritas would receive around 74 million and the Diakonisches Werk around 63 million marks.

- ARD: '*Die goldene 1*' (formerly: 'Ein Platz an der Sonne').

Founded in 1956, the proceeds are distributed by the German Relief Organisation. Until 1966, the focus of the distributions was on supporting the "Hilfswerk Berlin". From 1967 onwards, the welfare organisations were the main beneficiaries, and from 1967 to 2000, funds totalling DM 1.646 billion were distributed. In 2000, around 29 million was available for distribution, of which the welfare organisations received 87 per cent: the Diakonisches Werk 20 per cent (DM 5,799,000) and the German Caritas Association 14 per cent (DM 4,087,800).[193]

Overview 80: Proceeds from the ARD television lottery, 2000

Allocation by umbrella organisations	*DM*	*%*
Diakonisches Werk	5,799,000	*20.3*
Workers' Welfare	4,474,513	*15.6*
German Red Cross	4,323,628	*15.1*
German Caritas Association	4,087,800	*14.3*
German Parity Welfare Association	3,702,130	*12.9*
Central Welfare Office of the Jews in Germany	1,400,000	*4.9*
Bank for Social Economy	1,000,000	*3.5*
Subtotal: Central organisations	*24,781,071*	*86.6*
German Senior Citizens' Aid Board	2,850,000	*10.0*
Broadcasting aid	750,000	*2.6*
Independent organisations	208,032	*0.8*
Total	*28,589,103*	*100*

Funding is allocated on the basis of grants applied for individual projects and varies accordingly from year to year.

- *"Glücksspirale"*

The state lottery companies also launched the "Glücksspirale" as a lottery for charitable purposes. The net proceeds (2000) amount to 196.8 million marks[194] and are divided into three equal parts as an allocation without specific applications.[195] The three "beneficiaries" – the German Sports Federation, the Federal Association of Independent Welfare Organisations and the German Foundation for Monument Protection – each receive 65.6 million marks.

[193] Announcement by the ARD television lottery.
[194] Statement from the lottery company.
[195] The lottery companies are organised by federal state, so there may be variations. In Hamburg, the funds are divided into four parts – the usual three beneficiaries plus environmental organisations.

According to the 'market positioning' mentioned above, Caritas would receive 23 million and the Diakonisches Werk 20 million marks. But there is even more from the 'Glücksspirale' for church institutions – this is not so obvious and requires a detour via the German Foundation for Monument Protection to ultimately reach the churches (see the chapter *on foundations*).

7.8. Charity stamps

The name says it all, and around 35 million marks[196] were raised (in 2000) from the proceeds of the auctions. According to the 'market positioning', this would amount to DM 12.3 million and DM 10.5 million respectively for the denominational welfare associations.

In summary, the two denominational welfare organisations receive an estimated total of around DM 212 million from the lotteries and welfare stamps: Caritas 113 million marks and the Diakonisches Werk 99 million.

7.9. Sponsorship

However, these denominational organisations do not regard all these donations as an 'automatic flow of funds'; rather, there are realistic concerns that there will be, or could be, a permanent reduction in donation income. On the one hand, there are fears that there will be a significant decline following the introduction of the euro as the single currency, because although there is effectively no change in financial assets, people will suddenly feel, subjectively, that they have only half the money they previously had as income or in their bank accounts, and will react accordingly. On the other hand, not only are more and more German organisations flooding the world's second-largest national donations market (after the USA) with appeals for donations, but an increasing number of foreign organisations have also discovered this 'cash cow' for themselves – sometimes employing quite aggressive advertising methods. Is there a way out? Sponsorship is the magic word, and there are already several examples of this.

The acquisition costs for the 'donor letters' in aid of the reconstruction of the Dresden Frauenkirche, amounting to approximately 20 million marks to date, are being paid by *Dresdner Bank*.[197]

Contracts were concluded in 1996 between *Deutsche Bahn AG* and the Conference for Church Railway Station Missions. "In these contracts the railway

[196] http://www.diakonie.de/a2z/wohlfahrtsmarken/index.htm
[197] Statement from the "Frauenkirche Foundation".

company waives rent payments and covers the costs of cosmetic repairs, maintenance of washrooms and toilets, energy and waste collection."[198]

Deutsche Telekom AG and the two German telephone counselling associations have concluded a cooperation agreement. "Since 1 July 1997, the telephone counselling service has been accessible free of charge from all 5,100 local networks – initially for five years. Even in telephone boxes and public payphones, an important call to the telephone counselling service will no longer be thwarted by a lack of change or an expired phone card. Deutsche Telekom AG covers the charges."[199] For the year 1999, the Statistical Yearbook lists 1.6 million calls to the telephone counselling service.

These three examples take place 'silently' and are scarcely known to the public. In a normal sponsorship arrangement, however, the company wants to be named in some form in order to derive at least an intangible image or advertising benefit from the financial contributions.

Brot für die Welt has given this some thought and has already named three companies that are out of the question as sponsors and unthinkable as partners: *Daimler-Benz* is also an arms manufacturer and produces landmines through a subcontractor; *Deutsche Lufthansa* colluded with the white apartheid regime in South Africa; and *Nestlé* has disqualified itself with its baby formula for the Third World (where there is normally no clean drinking water).[200]

This, however, raises the question of which major international corporation is even eligible as a sponsor.

But as the saying goes: 'One man's trash is another man's treasure', and so the sponsors of the Protestant Church Congress in Frankfurt (13–18 June 2001) include, among others, *Lufthansa.*

In recent years, such discussions – under the heading of 'ethical rating' – have also taken place in relation to so-called 'green funds' within the investment fund sector (see the chapter *on banks*) and have sometimes yielded surprising answers to the question of whether a particular corporation should be included in the portfolio of a denominational fund.

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[198] 2nd Session of the 9th Synod of the EKD, Wetzlar, 2–7 November 1997, Report of the EKD's Diakonisches Werk, see http://www.ekd.de/synode297/berichte/dw3.html. (Page 2)

[199] 2nd Session of the 9th Synod of the EKD, Report of the Diakonisches Werk, p. 4.

[200] 2nd Session of the 9th Synod of the EKD, Report of the Diakonisches Werk, p. 8 ff.

8. Training of the next generation of church leaders

Faculties of Theology and Universities / Research Funding / Support for Gifted Students / Universities of Applied Sciences and Technical Colleges / Other denominational training institutions and cost coverage

The preceding chapters (state subsidies and donations/collections) focused on the income and assets of the churches and their organisations. This chapter deals with an aspect that does not appear in any church financial statistics – although it is of fundamental importance for the future of the church: the training of the church's own future theological leaders at the state's expense.

Whilst religious education in state schools tends to be questioned by the children's parents, prominent representatives of the Church have recently begun to cast doubt on state funding for this core area of training their leaders.

"Theology must no longer be taught at state universities, because the professors, as state theologians, betray their original calling." [201]So says Archbishop Dyba, the former 'commander-in-chief' of the Catholics in the Diocese of Fulda, who always knew exactly what the Vatican wanted and publicly advocated it.

Apart from that, the Catholic bishops feel (once again) discriminated against by the state, as recent guidelines from the German Rectors' Conference stipulate that the promotion of women at universities should be given greater consideration when allocating funds to professors. In the Catholic theological faculties, the bishops of North Rhine-Westphalia complained, 'the "introduction of women's quotas" is, however, "not feasible"'.[202] This view is, however, astonishingly out of touch with reality, given that 23 women are already working as professors of Catholic theology.[203]

Criticism of the 'state theologians' refers to cases in which Catholic university lecturers lost or were forced to give up their affiliation with the Faculty of Theology. Among others:

- due to 'deviation': Professor Küng (Tübingen),
- due to marriage [!]: Professors Neumann, Bartholomäus, Schweizer (all Tübingen) and Professor Herrmann (Münster).

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[201] *Süddeutsche Zeitung* No. 213, 15 September 1999, p. 7: (Fighters against moral erosion).
[202] *DER SPIEGEL*, 15 November 1999, p. 336.
[203] *Statistical Yearbook 2000*, University Staff 1998, p. 387.

For such 'cases', the 1929 Concordat with Prussia states very clearly:

"Should a teacher belonging to a Catholic theological faculty, in his teaching or in his writings, offend Catholic doctrine or commit a serious or egregious breach of the requirements of the priestly way of life, the competent bishop is entitled to report this to the Minister for Science, the Arts and Public Education. In such a case, the Minister shall, without prejudice to the rights arising from the person's civil service status, take remedial action, in particular by ensuring a replacement appropriate to the teaching requirements."[204]

Thus, if the Church 'reports' a university lecturer who does not toe the line, he nevertheless retains his livelihood, and the state additionally pays for the replacement. Consequently, whilst these university lecturers lose their affiliation with the Faculty of Theology, they remain (in another faculty) university lecturers for life in the civil service.

This allows theologians in Germany to exercise considerably greater freedom in their teaching views than they would under purely ecclesiastical supervision – where a loss of the church's teaching licence would be tantamount to the loss of their job and income – for the state does require a precise justification if it is to pay two professors for a single university teaching post.

The fact that starting a family (marriage), which is specially protected under the Basic Law (GG Art. 6, 1), also constitutes such a reason is a particular denominational practice – one which the state, however, accepts.

The 'Professor Küng case' caused a media stir at the time and confirmed the prejudice that Catholic bishops are particularly dogmatic and intolerant, yet the situation is no different among Protestants. Examples: Between 1949 and 1951, the Protestant Church in Hesse and Nassau threatened the prominent theology professor Rudolf Bultmann with the withdrawal of his right to conduct examinations; in 1979, the Hamburg pastor Paul Schulz had his right to teach within the church revoked, and since 1996, Prof. Gerd Lüdemann (Göttingen) has been fighting against the withdrawal of his right to examine by the Confederation of Protestant Churches in Lower Saxony.[205]

Yet it was not only Archbishop Dyba, the 'Ayatollah of the Rhön' [206], who sought to remove theological training from state universities, the dominican

[204] Joseph Listl (ed.): *The Concordats and Church Agreements in the Federal Republic of Germany*, Volume Two, Berlin: Duncker & Humblot, 1987, p. 722

[205] See, in great detail: Gerhard Besier: *The Church as a Corporation*, p. 128 ff.

[206] *Stern* No. 40, 30 September 1999, p. 54. (Uli Hauser / Kai Hermann: 'Not of this world').

friar Basilius Streithofen (advisor to former Chancellor Helmut Kohl) also advocated an amendment to the Concordat: the churches would take over education under their own management, and the state would pay a lump-sum settlement for this. The church could then finance its reduced education network from the interest. [207]

From the interest? What sort of compensation payment is that supposed to be, if the interest is supposed to be sufficient to continue the previous payments? This compensation payment would then merely be a shift in state expenditure.

8.1. Theological faculties and universities

Just as the Papal Nuncio in the Federal Republic of Germany is the doyen (the first) of the diplomatic corps (Article 3 of the Reich Concordat of 1933), the departments or faculties of theology at universities are normally ranked first and are generously resourced. For example, the amending agreement of 21 May 1973 to the Lower Saxony Concordat (of 1965) stipulates, with reference to the University of Osnabrück: "The department (Catholic Theology and Religious Education) shall be provided with six professorships. [...] Furthermore, three posts are provided for tenured lecturers at university level [...], as well as support staff [...who] will be made available in the usual appropriate numbers."[208] The supplementary protocol of 17 January 1974 (there was evidently a need for clarification) then states, rather unobtrusively: "Re Section I No. 2. The professorships listed under letter a) are those in the highest salary grade generally provided for university lecturers."[209]

There are currently 32 theological faculties in Germany – 19 Protestant and 13 Catholic – within state universities, and 16 independent theological colleges. In addition, there is the Catholic Eichstätt University Foundation (under church sponsorship).

Protestant theological faculties exist within the following universities: Heidelberg (founded: 1386), Leipzig (1409), Rostock (1419), Greifswald (1456), Tübingen (1477), Marburg (1527), Jena (1558), Kiel (1665), Halle/Saale (1694), Göttingen (1733), Erlangen (1743), Münster (1780), Berlin (1810), Bonn (1818), Mainz (1946), Hamburg (1952), Bochum (1965), Munich (1968) and Frankfurt am Main (1987). Faculties of Catholic Theology exist at the universities of Augsburg, Bamberg, Bochum, Bonn, Erfurt, Freiburg, Mainz, Munich, Münster, Passau, Regensburg, Tübingen, Würzburg.

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[207] Cf. *Welt am Sonntag*, 18 April 1993
[208] Joseph Listl (ed.): *Die Konkordate ...,* p. 97.
[209] Joseph Listl (ed.): *Die Konkordate ...*, p. 100.

Church-run universities exist (Protestant) in Bethel, Wuppertal and Neuendettelsau, (Catholic) in Fulda and (as Catholic faculties) in Paderborn and Trier, as well as (within the Kirchliche Gesamthochschule) in Eichstätt, and nine further ones run by religious orders.[210]

These religious order universities are located in Benediktbeuern (Salesians), Munich and Frankfurt (Jesuits), Münster (Franciscans and Capuchins), St. Augustin near Bonn (Divine Word Missionaries) and in Vallendar near Koblenz (Pallottines).[211] All are 'state-recognised'.

The state-funded training of the Church's future clergy and the associated view that theological training should be regarded in the same way as other degree programmes is incorrect for at least three reasons. Firstly, to take an example, economists are trained for a very large, indefinite number of businesses, associations, government posts, etc., whereas theologians are trained exclusively for a single future employer in each case. Secondly, businesses at least pay back to the state, through their tax contributions, a multiple of what the state's training has cost in taxpayers' money. The established churches do not pay taxes. Thirdly, the objection that almost the entire population is Christian and that theological training is therefore a 'community responsibility' is inaccurate, as less than two-thirds of Germany's population are now members of one of the two established churches.

Let us therefore bear in mind the scale of the figures involved: in 1998/99, a total of 2,367 students were enrolled at theological colleges.

Table 81: Students at the 16 theological colleges (winter semester 1998/99)

Federal state	*Protestant*	*Catholic*	*Total.*
Bavaria	148	488	636
Hesse	31	309	340
North Rhine-Westphalia	404	316	720
Saxony-Anhalt	202	-	202
Rhineland-Palatinate	-	376	376
Thuringia	-	93	93
Total	*785*	*1,582*	*2,367*

Source: Statistical Yearbook 1999, p. 384

[210] See Besier, *Konzern Kirche*, p. 120.
[211] See German Bishops' Conference, at: http://www.dbk.de

The following was spent on these few students (in 1996): DM 50 million..[212] However, this is only a small part of the total, as a further 20,995 students were studying at university theological faculties (in 1998/99).

Overview 82: Students of Theology / Religious Education at Universities, Winter Semester 1997/1998 and Winter Semester 1998/1999

Subject	*Winter semester 97/98*	*Winter 98/99 .*
Protestant Theology / Religious Education	11,635	10,839
Catholic Theology / Religious Education	10,379	10,156 .
Total	*22,014*	*20,995*

Source: Statistical Yearbook 1999, p. 386, and 2000, p. 382.

That is 1.2 per cent of all students and on a par with philosophy students or musicians/musicologists. To train these 21,000 future theologians and religious education teachers, the following were employed (in 1998) 1,074 university lecturers and 665 research assistants (excluding other staff, such as secretaries and library staff).

Table 83: University staff for Theology / Religious Education in 1997 and 1998

	Professors	*Lecturers*	*Research Assistants*	*Total.*
Protestant	405 / 404	145 / 144	350 / 362	900 / 910
Catholic	417 / 423	107 / 103	314 / 303	838 / 829
Total	*822 / 827*	*252 / 247*	*664 / 665*	*1,738 / 1,739*

Source: Statistical Yearbook 1999, p. 391 and 2000, p. 387.

In the Protestant faculties, there are 29 students per professor and 13 students per member of the teaching staff. In the Catholic faculties, the figures are as low as 25 students per professor and 12 per member of the teaching staff.[213]

The breakdown by individual universities and church-affiliated colleges illustrates the 'paradisiacal' study conditions, for example, that students of Protestant theology (aiming for the ministry) encounter at the overcrowded universities. The 'most overcrowded' is in Bochum (with 47 students per professor) and the 'most intimate' in Greifswald, where seven students are grouped around one academic.

This brings tears to the eyes of every student in other faculties at German universities – but not out of emotion.

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[212] *Statistical Yearbook* 1999, Chapter 16.14, p. 392.

[213] See *Statistical Yearbooks* 1969, p. 82 ff., and 1999, p. 380 ff.

Overview 84: Students of Theology / Professors (Winter Semester 1995/96)

University	*Students*	*Professors*	*pro Students*
Berlin	583	16	*36*
KiHo Bethel	318	10	*32*
Bochum	566	12	*47*
Bonn	385	14	*27*
Erlangen/Nuremberg	269	18	*15*
Frankfurt am Main	88	6	*15*
Göttingen	566	18	*31*
Greifswald	58	8	*7*
Halle/Wittenberg	133	12	*11*
Hamburg	311	18	*17*
Heidelberg	824	23	*36*
Jena	123	7	*18*
Kiel	276	11	*25*
Leipzig	256	14	*18*
Mainz	109	11	*10*
Marburg	536	22	*24*
Munich	177	11	*16*
Münster	371	25	*15*
KiHo Neuendettelsau	204	5	*41*
Rostock	72	8	*9*
Tübingen	674	16	*42*
Wuppertal	208	12	*17*
Total	*7,107*	*297*	*24*

Source: Gerhard Besier, Konzern Kirche, p. 122

As no up-to-date, subject-specific staff costs are available for universities[214], we must make do with the official financial indicators for linguistic and cultural studies, which nevertheless provide a more realistic basis than a conversion based on university teaching posts and staff expenditure, as the figures in the medical sector are considerably higher.

[214] The data broken down by faculty/department in Series 11, Volume 4.5 '*University Finances 1999*' of the Federal Statistical Office cannot serve as a basis, as a simple plausibility check indicates that they are clearly too low.
Personnel expenditure for Protestant Theology at universities (p. 32) is stated as DM 101,830,000. Calculated solely on the basis of the 910 academic staff (i.e. excluding non-academic staff in secretariats, clerical staff and manual workers), this would amount to an average annual expenditure of DM 111,901 (including employer contributions to social security and supplementary pensions) and (including a 13th monthly salary) an average monthly payment of DM 8,608, which is far from reality.
Personnel expenditure for Catholic Theology at universities is stated as DM 77,625,000, which, using the same calculation for academic staff, would amount to a monthly cost of DM 7,203.
This figure fails to take into account not only non-academic staff, but also pensions for emeritus professors, business travel, participation in academic conferences, etc.

*Overview 85: Financial indicators *) and staff-to-student ratios in theology at universities (1998)*

Financial indicator *Per professorship:*	Protestant Theolog *(404)*	Catholic Theology *(423)*
Basic funding: DM 366,400	148,025,600	154,987,200
External funding: DM 43,800	17,695,200	18,527,400
Per student:	*(10,839)*	*(10,156)*
Funding: DM 5,300	57,446,700	53,826,800
Total	223,167,500	227,341,400
Total	450,508,900	

Source: Statistical Yearbook 2000, p. 395

**) The figures are based on the low key figures for linguistics and cultural studies.*

To these costs of DM 451 million must be added the DM 50 million for theological colleges. This brings the expenditure on theological training to DM 501 million.

8.1.1. Research funding

In addition to these direct university expenditures, however, theologians also attract further state funding: for example, funds from *the German Research Foundation* (DFG) – 98.8 per cent of which is financed by federal and state tax revenue.

Overview 86: Funding from the German Research Foundation / Theology, 1999

92 Printing and material grants Ø DM 12,821	1,179,532
Collaborative Research Centres:	
No. 534: "Judaism – Christianity: Constitution and Differentiation [...]"	1,225,300
No. 231: "Media, [...] pragmatic writing in the Middle Ages"	1,405,000
Research Training *Groups*:	
No. 127: "Church and Society [...] in the 15th and 16th Centuries"	449,960
No. 211: "Intercultural Religious Studies"	35,800
No. 258: "Ars and scientia in the Middle Ages and Early Modern Period"	380,615
No. 27: "Religion in the Modern World"	32,670
No. 197: "Religion and Normativity"	423,994
No. 237: 'Commentary in Antiquity and the Middle Ages'	429,590
No. 252: "Spiritual Songs and Hymns: An Interdisciplinary Approach"	359,280
No. 278: "[...] Gender Differences in Religious Symbolic Systems"	384,060
No. 354: "The Bible – Origins and Impact"	433,760
No. 522: "The Concept of Experience in European Religion [...]"	47,960
14 postdoctoral research grants Ø DM 68,563	959,882
2 Emmy Noether Programme scholarships Ø DM 94,545	189,090
2 Heisenberg Programme grants Ø DM 217,647	435,294
1 scholarship from the Gerhard Hess Programme Ø DM 277,419	277,419
1 Gottfried Wilhelm Leibniz Programme scholarship Ø DM 68,563 *)	68,563
Total	8,687,769

Source: German Research Foundation 'Annual Report 1999', Volumes 1 and 2, passim.

**) As no figures were available, the postdoctoral research fellowships were used.*

The summary in this overview amounts to approximately 9 million marks for the funding of Protestant and Catholic theology at German universities. It is noteworthy, among other things, that since 1997, DM 937,040 has been spent on the question of how the Bible came into being and what effect it has (Research Training Group 354). A question that, after 2000 years, is in great need of clarification.

In addition to the state-funded German Research Foundation, another major 'institution' supports academic projects: the *Volkswagen Foundation*, which, for example, funds the research project 'Cultural History and Theology of the Image in Christianity' at the Faculty of Catholic Theology at the University of Münster. It would be pointless to enquire about the other 290 'research-funding institutions' [215] in Germany, and we shall leave it at these figures.

8.1.2. Support for gifted students

Students receive (state-funded) scholarships from public foundations for the promotion of gifted students. Of these foundations, the German National Academic Foundation is the only one that maintains strict ideological neutrality, 'whereas in the case of denominational foundations, one should bring more to the table than just the relevant baptismal certificate'.[216] The total allocation in the budget of the Ministry of Education and Research regarding "grants to student support organisations" of DM 116 million (in 2000) is divided among 11 organisations. A breakdown by individual foundation is not published. So we'll have to help ourselves[217].

Overview 87: Recipients of support from organisations for gifted students in 1998

Foundation	*Total*	*Study grants*	*Doctoral candidates*
German National Academic Foundation	5,081	4,467	614
Hans Böckler Foundation	1,613	1,318	295
Konrad Adenauer Foundation	1,361	1,080	281
Friedrich Ebert Foundation	1,283	1,051	232
Protestant Student Fund Villingst	821	617	204
Episcopal Foundation Cusanuswerk	792	595	197
Friedrich Naumann Foundation	492	336	156
Hanns Seidel Foundation	442	325	117
German Business Foundation	382	343	39
Heinrich Böll Foundation	274	126	148
Total	12,541	10,258	2,283

Source: Statistical Yearbook 2000, p. 390, Table 16.15

[215] See: http://www.uni-mainz.de (Section: Research Funding)

[216] University of Hamburg: "Information on Study Foundations", p. 2, at: http://www.uni-hamburg.de/PSV/Verw/RG2/Studienberatung

[217] The Rosa Luxemburg Foundation is not yet included in the figures for 1998 in the Statistical Yearbook 2000.

A second overview is intended to illustrate the conversion of these absolute figures into their percentage distribution, which is not immediately apparent.

Overview 88: Recipients of support from organisations for the promotion of gifted students in 1998, in percentages

Fund	*Total St*	*Student Support*	*Doctoral funding*
German National Academic Foundation	40.5%	43.5%	26.9%
Hans Böckler Foundation	12.9%	12.8%	12.9%
Konrad Adenauer Foundation	10.9%	10.5%	12.3%
Friedrich Ebert Foundation	10.2%	10.2%	10.2%
Protestant Student Fund Villingst	6.5%	6.0%	8.9%
Episcopal Foundation Cusanuswerk	6.3%	5.8%	8.6%
Friedrich Naumann Foundation	3.9%	3.3%	6.8%
Hanns Seidel Foundation	3.5%	3.2%	5.1%
German Business Foundation	3.0%	3.3%	1.7%
Heinrich Böll Foundation	2.2%	1.2%	6.5%
Total	99.9%	99.8%	99.9%
Own conversion			
Denominational organisations combined	12.8%	11.8%	17.5%

Even though there are different types of scholarships, varying in amount and with or without a book allowance, the high proportion of doctoral scholarships among the denominational organisations suggests that the figure of 12.8 per cent should be retained as a benchmark for their funding. In other words: of the 116.3 million in 2000, the two denominational scholarship organisations are likely to have received around 15 million (DM 14,886,000).

However, the Federal Foreign Office also awards scholarships "to foster cultural relations with other countries". The largest sum goes to the DAAD (German Academic Exchange Service) and the Alexander von Humboldt Foundation. Next in the funding ranking are the foundations of the political parties, and under 'Other', for which a total of 3.6 million marks was available (in 1998), the footnote explains: 'Including church organisations, [...].'[218] A breakdown is not possible.

8.2. Universities of Applied Sciences

In addition to the theological colleges already mentioned, there are further church-run higher education institutions to meet their own training needs.

Church music plays a special role in this regard, for which there are currently 27 training institutions. In 1996, the state of Saxony-Anhalt paid a sum of 1,050,000 marks to the Protestant University of Applied Sciences for Church

[218] *Federal Budget 1998*, Section 05, p. 44.

Music in Halle.[219] The State of Berlin pays (in 2000) DM 371,730 for the Protestant Church's church music training and DM 191,780 for the Episcopal School of Church Music in Berlin. The Free State of Bavaria provides an 80 per cent grant to the University of Applied Sciences for Church Music (Bayreuth) amounting to DM 1,320,000[220] . With an average grant of DM 733,000 for these four institutions, the expenditure for all 27 training centres is in the region of DM 20 million.

However, the focus of the other educational institutions lies in training the next generation for Diakonie and Caritas.

- In addition to two university of applied sciences degree programmes in religious education and social work, which are affiliated with the Catholic University of Eichstätt, the Catholic Church operates seven state-recognised (i.e. state-subsidised) universities of applied sciences specialising in social work/social pedagogy, nursing, religious education/church educational work and library science, "which differ from the state university of applied sciences system through their distinctive Christian character".[221] In the Protestant sector, there are eleven such universities of applied sciences under church sponsorship.

This distinctive 'ecclesiastical character' consists in fulfilling 'Jesus' threefold commission to his disciples: to preach, to heal and to liberate'.[222] 'Preaching' is achieved through training in theology, 'healing' through social work and 'liberation' through social pedagogy – and these terms are to be understood in a religious sense.

The federal states pay the following annual subsidies to church-run universities of applied sciences (2000):[223]

- Saarland: University of Applied Sciences for Social Work	DM 650,000
- Rhineland-Palatinate: University of Applied Sciences for Social Work	DM 650,000
- Berlin: Protestant University of Applied Sciences	DM 1,500,000
- Berlin: Catholic University of Applied Sciences	DM 1,583,000
- Hamburg: University of Applied Sciences for Social Pedagogy	DM 1,238,000
- Saxony: University of Applied Sciences for Social Work, Dresden	DM 3,950,000

If these figures (DM 9,571,000) are extrapolated to all 18 universities of applied sciences, the total comes to around 29 million marks.

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[219] *Budget of the State of Saxony-Anhalt for 1997*, Ministry of Culture, Epl 0602, General Appropriations, p. 16.
[220] *MIZ*, No. 3/2000, p. 52.
[221] See German Bishops' Conference, at: http://www.dbk.de
[222] Diocese of Mainz on the anniversary of the Catholic University of Applied Sciences Mainz, in: Diocesan News of 10 December 1997, p. 3.
[223] See the budgets of the relevant federal states.

In addition to these payments, building grants are also provided. For instance, the State of Berlin paid DM 5,583,000 for construction work at the Catholic University of Applied Sciences in 1998/1999 and a total of 4.5 million for the conversion of the Protestant University of Applied Sciences Berlin in 2000–2002 (half of which is refinanced by the federal government). That is a further 10 million marks.

Furthermore, the churches' own technical colleges train their own young professionals. Ten Catholic and fifty Protestant technical colleges are responsible for training nursery nurses, geriatric carers and special needs teachers. In addition, the *Diakonisches Werk,* for example, runs 526 vocational schools and further education centres for 'social and care professions' with 33,081 places and 4,459 staff[224], and *Caritas* operates 726 training and further education centres with 62,041 places and 3,281 staff.[225] As concrete figures are only available for schools in the healthcare sector, their financial expenditure can be calculated.

Diakonie and Caritas train 95,122 'students' at their schools, which amounts to DM 6,900 per capita in staff costs. Taking into account staff costs/other expenses and a state funding share of around 66%, this results in total costs of approximately DM 574,517,000.[226]

8.3. Other educational institutions

In addition to theological training and specialist (university) colleges, there are, for example, further state subsidies for:

- *Protestant seminaries* and *Catholic seminaries*. Baden-Württemberg pays (2001) DM 6.253 million.
- The *Catholic University of Eichstätt* – a church foundation under public law of the Catholic dioceses of Bavaria – receives, upon application, 85% of its actual expenditure (including capital expenditure). In 2000, this amounted to DM 53,890,700.[227]

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[224] Diakonisches Werk der EKD, *Institution Statistics* – as at 1 January 1998 (Statistical Information No. 1/1999), p. 66.

[225] Survey by the German Caritas Association (as at 1 January 1999): *Summary by institution group*, see http://www.caritas.de

[226] Cf. Federal Statistical Office: Report on the survey (pursuant to Section 7(2) of the Federal Statistics Act) of the expenditure and revenue of private educational institutions, including public schools in the health sector, in 1995, Wiesbaden: March 1999, p. 21.
Own calculation: 95,122 pupils x DM 6,900 = DM 656,351,800 = staff expenditure. Personnel expenditure accounts for 75.4% of total expenditure, which thus amounts to DM 870,479,841, of which 66% is state-funded = DM 574,517,000.

[227] *Bavarian Budget* 2001, Chapter 15 06, Title Group 71.

The possible objection that only a proportion of those trained will enter the church service is correct, but these overestimated figures are certainly offset by the 21 *Concordat chairs* existing (in Bavaria alone). At seven universities, there are three 'parallel' chairs each for philosophy, sociology/political science and education, which may only be filled with the approval of the Catholic Church.

These two subsidies alone already amount to 60 million (DM 60,143,700).

8.4. Further cost cover

Two examples from the Free State of Bavaria's exemplary detailed budget show that these grants are by no means sufficient:

- DM 141,000 is paid to *support student pastoral care*,
- The budget shows DM 778,000 in grants to the Bavarian Student Services for *ground rent*.

Together, this amounts to a further DM 919,000.

8.5. Conclusion

Let us therefore summarise what it costs the German state to finance the training of the next generation of clergy with taxpayers' money. It amounts to around 1.2 billion marks in public funds.

Overview 89: Total expenditure on the training of the next generation of clergy

Training of theologians and religious education teachers at		
- universities	DM	450,509,000
- Church colleges	DM	50,000,000
- Student grants from organisations for gifted students	DM	14,886,000
- German Research Foundation	DM	8,688,000
Training of future church staff		
- for church music	DM	20,000,000
- Universities of applied sciences	DM	39,000,000
- Schools in the denominational healthcare sector	DM	574,517,000
Other cost coverage/grants	DM	61,063,000
Total	*DM*	*1,218,663,000*

Due to the lack of further specialist colleges and other church-run training and further education institutions, and the fact that the cost estimates for universities are at the very lowest level, the actual amount will be significantly higher.

9. Media companies

Press agencies / magazines and newspapers / book production / publishing houses / printing works / libraries / film companies / radio stations

As in other sectors of the economy, it is pointless to debate whether the various media companies belong to the Church, as they are associated *with* the Church both in terms of their function and, in most cases, their company names. (This chapter deals initially only with the 'Church-owned' media companies. For a detailed account of the Churches' work in the various media, see the chapter *on Media Presence*.)

9.1. Press agencies

As the churches' 'public service mandate' cannot be fulfilled merely by ringing church bells, both official churches have their own press agencies:

- the Protestant Press Service (epd),
- the Catholic News Agency (KNA), and
- KNA Pressebild GmbH.

Both press services/agencies publish several services, organised by topic and region, which supply not only the churches' own publications but the entire German press with church news and opinions. Both press agencies require subsidies. The Protestant Press Agency is part of *the Gemeinschaftswerk Evangelischer Publizistik*, which (in 1997) required a subsidy of DM 12,630,700, and the KNA receives 45 per cent of its budget from diocesan funds. This might give the impression that church-related topics are not of commercial interest.

9.2. Newspapers and magazines

Although the number of titles has risen (due to the 'Wende' in the East), circulation figures are falling (in absolute terms) and turnover is stagnating (in relative terms). Of the 349 titles (1993), 80 have a regional circulation and 269 a national circulation, with a total print run of 7,341,000 copies, of which 6,450,000 are sent to subscribers (that is, after all, 88% of the print run) and generate a turnover of DM 285 million. However, these 285 million represent only 1.8 per cent of the total turnover of all magazines in Germany (15.9 billion).

Whilst, however, for all magazines in Germany the ratio of turnover is 45 per cent from sales and 55 per cent from advertising, for denominational maga-

zines the ratio is 89 per cent from sales and only 11 per cent from advertising.

Overview 90: Denominational magazines / Circulation / Turnover

Year	Number	Circulation	Turnover		
			DM	per unit per issue	
1986	301	8,530,000	220,000,000	731,000	26
1990	318	7,500,000	249,000,000	783,000	33
1993	349	7,431,000	285,000,000	816,619	38

Sources: Statistical Yearbooks, 1988, 1993, 1996.

Thus, church newspapers – much like the *Vorwärts* among the Social Democrats and, more recently, the *Bayernkurier* among the CSU – face the fate of all 'ideological' publications by organisations that cater solely to their own members, fail to attract general interest, are sold almost exclusively by subscription, and are losing more and more subscribers: They have no identifiable customer base that would be of interest to advertisers – or do Catholics have different purchasing habits to Protestant subscribers?

The extent to which church newspapers have lost subscribers and circulation is illustrated by a key area: a comparison of selected Catholic diocesan newspapers between 1972 and 2000.

Overview 91: Circulation of Catholic diocesan newspapers 1972 to 2000

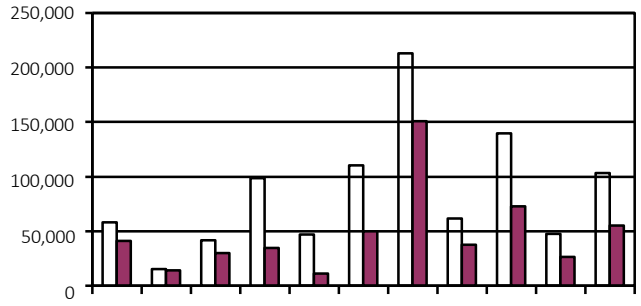
Diocese	Circulation 1972	Circulation in 2000	Ratio
Bamberg	58,210	41,179	71%
Berlin (West)/Berlin	15,336	13,693	89%
Eichstätt	41,449	29,917	72%
Essen	98,313	34,673	35%
Mainz	46,780	10,943	23%
Munich	110,476	49,846	45%
Münster	213,013	150,828	71%
Osnabrück	61,793	37,336	60%
Paderborn	139,475	72,911	52%
Passau	47,352	26,099	55%
Trier	103,373	54,826	53%
Total	*935,570*	*522,251*	*56%*

Sources: 1972: Kirchliches Handbuch. Official Statistical Yearbook of the Catholic Church in Germany by Franz Groner, Vol. XXVII: 1969–1974, p. 68.
For the year 2000: http://www.mediadaten.de/titel

In parallel with the falling number of Sunday churchgoers, the number of subscribers has fallen by almost half. The only notable exceptions are the dioceses of Bamberg, Eichstätt and Münster, which have nonetheless lost a quarter

of their circulation. (Berlin has changed from West Berlin to the whole of Berlin over the same period.) The losses in circulation in the dioceses of Mainz, Essen and Munich are particularly severe.

Diagram 8: Circulation of Catholic diocesan newspapers (1972 / 2000)



Bamberg Eichstätt Mainz Münster Paderborn Trier Berlin Essen Munich Osnabrück Passau

Is it down to the denominational orientation, does it reflect the urban-rural divide, is it also a question of readers/subscribers ("Nowadays, only devout older Catholics subscribe to a diocesan newspaper. As early as 1994, eight out of ten subscribers were over 49."[228]) or a question of professionalism? Colleagues are said to describe the *Gemeinschaftswerk Evangelischer Publizistik* as: "Professionalism is in short supply; the place is run by amateurs."[229]

Mocked as "edifying reading for devout souls", the diocesan papers, however, "not only finance almost all of themselves, but in some cases also other church causes" [230]– though it is not specified which ones.

In the Catholic sector, a total of 138 titles is published, as weekly newspapers, monthly magazines or periodicals, divided into eight press groups: diocesan press, Sunday magazines, magazine press, women's magazines, missionary and religious order press, youth magazines, association magazines, and cultural and specialist journals.

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[228] http://www.phil.uni-sb.de/projekte/imprimatur (Issue 2/2000)
[229] Südwestpresse, 11 January 1995, cited in: Besier, *Konzern Kirche*, p. 105.
[230] Martens, *How Rich Is the Church?*, p. 96.

As these magazines and newspapers are (supposed to) generate a profit, they are not published by the churches themselves, but by 'external' limited companies. For example, the *Nordelbische Kirchenzeitung* is published by Evangelischer Presseverlag Nord GmbH, the *Evangelische Kirchenzeitung* – the Sunday paper for Hesse and Nassau – by Spener Verlag GmbH Frankfurt, the *Heinrichsblatt* (Diocese of Bamberg) by St. Otto Verlag GmbH, *Kirche und Leben* (Diocese of Münster) by BMV Bistumszeitung Münster Verlagsgesellschaft mbH, etc.

However, the two flagship national church newspapers generate no financial income and must be regularly subsidised by the EKD and the dioceses: (in 1996) the *Rheinischer Merkur* (Catholic) with 13 million marks and the *Deutsches Sonntagsblatt* (Protestant) with 9 million marks, until the EKD finally discontinued its *Sunday paper* at the end of 1999. Since the dioceses had already failed with their *Publik* project thirty years ago – despite 15 million marks in start-up capital (in 1968) – the Protestant mouthpiece has now also fallen silent. From October 2000, *Chrisma* appeared as the successor to the Sonntagsblatt; however, following intervention by the Cologne-based publisher DuMont Schauberg due to the risk of confusion with its television supplement *Prisma*, it had to change its title to *Chrismon* from January 2001 – as a monthly supplement to *the Süddeutsche Zeitung*, the *Frankfurter Rundschau*, the *Sächsische Zeitung* and the weekly newspaper *Die Zeit*.

In the Protestant sector, there is indeed a major *joint venture of the Protestant press*, but much like the diocesan church newspapers, the regional associations 'simmer' their own publications. Eighteen regional Protestant church newspapers are published weekly in Germany, facing similar problems to those in the Catholic sector.

Since financial interests can also overcome religious barriers, there is now a *Konpress-Anzeigen e.G.*, in which 39 member publishers from the Catholic and Protestant press sectors jointly manage advertising. This financial ecumenism is further deepened through annual joint conferences of the two denominational associations.

9.3. Book production

The Christian Bible is undoubtedly one of the all-time bestsellers in terms of print runs. (It is not, however, appropriate to speak of 'bestsellers', as most Bibles are given away for missionary purposes.)

It is, however, ironic to ask who actually holds the copyright to the Bible. Under German copyright law, copyright remains with the heirs for up to seventy years after the author's death. Since God – and the Bible is, after all, God's word? – lives forever, and has presumably not died yet – the Bible societies

would have to be able to produce a written publishing contract transferring the divine copyright to them. All stolen? Oh, God! No, that line of reasoning is flawed: after all, God surely does not hold German citizenship. But enough joking.

In an overview of German book production, annual figures are published based on data from the German Publishers and Booksellers Association. In the 'Religion, Theology' category, the first print runs, among other things, are totalled. Even though there are certainly further Christian/ecclesiastical titles hidden in other subject areas (directory books, canon law, school textbooks, society, etc.), these figures should suffice for our purposes, as they provide an indication of the scale involved.

Overview 92: Book production in Germany / First editions

Year	*Total titles*	*Subject area: Religion, Theology*	*in %*
1964	20,940	1,381	6.6
1965	22,842	1,316	5.8
1978	43,270	1,844	4.3
1979	50,306	2,441	4.9
1980	54,572	3,035	5.6
1983	47,976	2,253	4.7
1984	39,978	1,917	4.8
1985	45,000	2,082	4.6
1986	50,219	2,063	4.1
1991	48,879	2,439	5.0
1993	49,096	2,654	5.4
1994	52,767	2,850	5.4
1996	53,793	2,681	5.0
1997	57,680	2,889	5.0

Source: Statistical Yearbooks, based on data from the German Publishers and Booksellers Association, Frankfurt am Main.

Over the years, five per cent of German book titles (around 2,800 titles in first edition) have seen a slight (renewed) increase and are religious/theological books.

9.4. Publishers

Christian or church-owned publishers are not always immediately recognisable. For instance, Petri-Verlag, whose name suggests a denominational connection, is named after its owner and publishes the German edition of the men's magazine *Penthouse*.

9.4.1. Catholic publishers

One organisational level within the German Publishers and Booksellers Association is the *Catholic Media Association* (KMV), which the previously indepen-

dent associations *Arbeitsgemeinschaft Katholische Presse* (AKP) and the *Verband der katholischen Buchhändler und Verleger* (VKB) merged in 1999. It comprises 78 magazine publishers, 127 editorial offices, 103 bookshops and 61 book publishers.

Weltbild-Verlag

The assumption that these are all small publishers specialising primarily in religious or theological works is only partially correct. One publisher owned by 15 West German dioceses (and thus wholly Catholic, founded in 1948) is Weltbild-Verlag, or more precisely and currently: the *Weltbild Publishing Group.* Annual turnover: (1998) DM 1.2 billion. The main component of this turnover (DM 650,000,000) comes from the publisher's own book-by-mail service (since 1972), which has around 3.5 million members/households on its mailing list (that is one in ten households in Germany), who receive a catalogue every month. The publishing house is, so to speak, the southern German (Catholic) counterpart to the northern German (Protestant) giant Bertelsmann. According to its own description, however, Weltbild is Germany's "largest distributor of books, music & videos".[231]

The publishing house attaches great importance to not being a standard book club – meaning there is no purchase obligation for customers. Instead, the latest 'free catalogue' arrives monthly, featuring a 'wealth of current offers, new releases and bargains'.

The *Weltbild publishing group* employed (in 1998) around 1,600 staff, and the group comprises: Book publishers: *Schneekluth* (fiction), *Pattloch* (religious and social , artists' Bibles), *Battenberg* (antiques, collecting, cultures), *Steiger* (motoring, travel, leisure), *Midena* (health), *Augustus* (creative topics, cooking, gardening).

In a 'mega-merger' in 1999, Weltbild-Verlag brought these publishing houses together in a strategic alliance with the Holtzbrinck Group (publishers: Fischer, Rowohlt, Droemer, Knaur, etc.), into which the Holtzbrinck Group contributed its southern German publishing houses (*Droemer, Knaur*, *Scherz, Lichtenberg, Fretz & Wasmuth*), resulting in the *Weltbild Droemer publishing group* (50 per cent stake).

Weltbild retained control of the following publishing houses: *Bechtermünz* ("Good and affordable") and *Weltbild-Buchverlag* ("The extra for the reader"), and holds a 50 per cent stake in *Olzog-Verlag* (Munich).

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[231] See http://www.weltbild.de

• Mail-order book trade: In addition to the traditional catalogue business, three online book retailers are being established: *weltbild.de* as an online catalogue, *jokers-online.de* as a clearance outlet for remaining stock, and *booxtra.de*, a joint venture with t-online, Axel Springer Verlag and the Holtzbrinck Group (each holding a 25 per cent stake).

• Bookshops: The Weltbildplus branches complement the mail-order catalogue business. These bookshops are a joint venture with Germany's largest bookseller, *Hugendubel* of Munich. Launched as a pilot project in 1994 with three branches, by June 2000 there were already *160 bookshops* (as a bookshop chain) in German-speaking countries.

• Magazines:	*Issue 1/2000*
• The Christian Weltbild magazine	165,339
• Woman in Life	126,287
• Life and Parenting	128,793
• X-mag (*Kolping Society*)	40,311
• Oops	34,548

• Benni / Olli and Molli / Stafette / Tierfreund / Geschichte mit Pfiff / Bimbo.

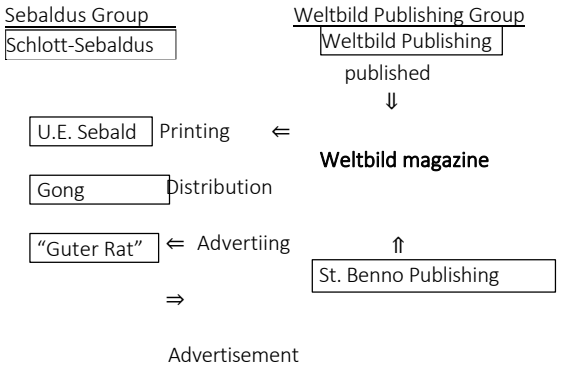
• Music publisher: *Calig*, founded in 1924 as Caritas-Lichtbild-Gesellschaft. Owned by Weltbild since 1993 and produces classical music.

Sebaldus Verlag

Once founded by a prelate, the Catholic *Sebaldus Verlag* (Nuremberg), with its affiliated large printing works and a turnover of over a billion, was one of the larger players in the industry. The publishing house had around 200 shareholders, including the Archiepiscopal Ernestine Seminary Foundation in Bamberg, the Episcopal Seminary of St Willibald in Eichstätt and the missionary organisation missio Aachen. One of the major shareholders, with a 10.6 per cent stake, was (in 1995) the Archdiocese of Bamberg. Ironically, in 1990 Sebaldus Verlag, in collaboration with Burda Verlag, published the 'breast-focused' magazine *Super Illu*, but refused to bow to protests from the church shareholders, whereupon the latter first 'froze' their shares and only reactivated them after the publishing house later sold its shares to Burda.[232] The convoluted ownership structure, an unclear business policy and the repeated interference of smaller shareholders in day-to-day operations (advertisements for lingerie were deemed 'offensive') led in 1997 to a restructuring of the ownership, in which (officially) all small and church-affiliated shareholders were paid out. Since then, the parent company Sebaldus Beteiligungs GmbH has been held by

[232] *DER SPIEGEL*, No. 10/1995, p. 84 ff.

Deutsche Beteiligungs AG and the French Alpha Beteiligungsgesellschaft each hold 36.5 per cent, and EKS Beteiligungsgesellschaft Stuttgart 20 per cent.[233] Since then, the company shares have been shuffled back and forth and reorganised, and in 1999 all printing operations were merged with the printing firm Schlott AG to form Schlott-Sebaldus AG. Sebaldus Verlag retained a residual stake of 25 per cent in *Gong Verlag GmbH* (television magazine) and the magazine *Guter Rat – Ihr persönliches Verbraucher Magazin*. Following all the share and ownership restructuring, it is worth taking a look at the imprint of Weltbild Verlag's 'flagship' publication: *weltbild-magazin* (October 2000)



A structure which, in its composition, is surprisingly reminiscent of a call made by the Chairman of the Bishops' Conference, Cardinal Dr Karl Lehmann, who emphasised in March 2000: "In view of the pace of developments, particularly the consolidation taking place in both the electronic and print sectors all around us, our Church too must strive to pool its resources, to concentrate and simultaneously optimise them."[234]

However, *Weltbild magazine* will cease publication in its current form in the summer of 2001 and will collaborate with the Cologne-based magazine "Lenz" (target audience: readers aged 49 to 65, the so-called "best agers"), as the predominantly conservative older readership has rejected the change in layout and sales figures are falling rapidly. In 1999, a new editor-in-chief had been appointed, who had previously served as chief reporter at *Cosmopolitan* and then as editor-in-chief at *Marie-Claire* – renowned women's magazines –

[233] *DIE WELT,* 2 January 1999, http://www.welt.de/daten/1999/11/02/

[234] Secretariat of the German Bishops' Conference: "Press statement by the Chairman of the German Bishops' Conference, Bishop Dr Karl Lehmann, following the spring plenary assembly from 13–16 March 2000 in Mainz", Point IV.1. Church involvement in the media, in: http://dbk.de/presse/pm2000/...

and the hope was for a lively magazine that would also appeal to a younger readership. But the balancing act apparently failed: the older readers stayed away and the younger ones were not reached.

Diocesan and other publishers

Alongside the giant *Weltbild*, which was founded in 1948 as a joint venture of the then 15 West German dioceses to produce and distribute a supra-regional magazine 'Mann in der Zeit', which later evolved into 'Weltbild magazin' and developed into a publishing group, the dioceses have long had their 'own' local diocesan publishing houses, for which they personally hold the 'imprimatur' (imprimatur is the bishop's permission to publish or prior censorship).

Notable church publishers include: (Catholic dioceses): *St. Benno* Leipzig (dioceses of Erfurt, Dresden-Meissen, Magdeburg and Görlitz), *Bonifatius Verlag* (Paderborn), *Matthias-Grünewald-Verlag* (Mainz), *Aschendorff* (Münster), *Paulinus* (Trier), *Bachem* (Cologne), *Pattloch* (Munich), – Weltbild Publishing Group –, *Bergmoser+Höller* (Aachen), *Pustet* (Regensburg) and *Schwabenverlag* (Stuttgart).

The largest Catholic publishing house alongside Weltbild, Herder in Freiburg im Breisgau, has, however, been family-owned for 200 years and is the only one to have established a 'branch' 'Crossroads'. The Herder publishing house also includes the publishers Ploetz (history), Karl Alber (philosophy), KeR-LE (children's books), Christophorus (family, hobbies) and VJK Verlag Josef Knecht (culture, society, religion).

"With a turnover of 87.5 million marks, around 500 new publications annually and 170 employees, the company ranks among the 40 largest publishers in the German-speaking world."[235]

The two examples, Weltbild and Herder, illustrate the stark contrast between the 'publishing groups' and the 'lone wolves' who are quite inclined to reach new customers by breaking new ground. For instance, Würzburg-based Echter Verlag is publishing a new Bible, the 'Bibel-blatt' in comic book format, which is presented in the style of a headline:

"Jesus lets his hair down."[236]

Having emerged historically in response to specific needs, publishers today differ in their various combinations of the components book publishing / diocesan newspaper / printing house.

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[235] Herder Publishing House: Press release: *200 Years of Herder – 200 Years of the Future* (February 2001).

[236] *Hamburger Abendblatt*, 2 September 1999, p. 32.

9.4.2. Protestant bookshops and publishers

The counterpart to the Catholic Booksellers' and Publishers' Association in the Protestant sector is the *Association of Protestant Booksellers and Publishers* (*Vereinigung Evangelischer Buchhändler und Verleger e.V.*), which includes, among others, 166 bookshops and 78 publishing houses – significantly more than its Catholic counterpart. However, some of these publishers are also members of the KEP (Conference of Protestant Publishers) of *the Evangelical Alliance*, whose 15 publishers reportedly 'cover around 60 per cent of the Protestant book market'.[237]

A review of the membership list of Protestant publishers reveals that, compared to a list compiled thirty years ago[238], major publishers such as *C.H. Beck* (Munich), *Walter de Gruyter & Co.* (Berlin), *W. Kohlhammer* (Stuttgart), and *J.C.B. Mohr / Paul Siebeck* (Tübingen) no longer 'profess' this fundamental understanding.

Gütersloher Verlagshaus

The best-known Protestant publishing house today is probably *Vandenhoeck & Ruprecht* (Göttingen), whilst the most renowned is Gütersloher Verlagshaus Gerd Mohn (Gütersloh), which also includes the *publishing houses Chr. Kaiser*, *Kiefel* and *Quell*. The most important 'official' academic publications of the Protestant Church are published by this Protestant 'publishing group' (since 1869, the *Kirchliches Jahrbuch für die Evangelische Kirche in Deutschland* – now in its 121st volume[239]) and it is probably no coincidence that, for example, substantial works (*Handbuch der Christlichen Ethik*, 3 volumes totalling 1,632 pages) were already published in the 1980s as a 'joint venture' with the Herder publishing house.

The fact that the companion book to the television series 'Glut unter der Asche' (edited by the Protestant and Catholic editorial team 'Kirche und Leben' at ZDF and produced by the Protestant *company Eikon* and the Catholic *company Tellux-Film*) was published by Gütersloher Verlagshaus also points towards a form of 'media ecumenism'. The companion book to the ARD series '2000 Years of Christianity', which was produced by *IT-Media* GmbH – a joint venture between the Catholic *Tellux-Film* and the *Imatel* Mediengesellschaft of the Protestant Regional Church in Württemberg – was, by contrast, published by *the* Protestant *Kreuz Verlag* in collaboration with the Catholic *Pattloch Verlag*.

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[237] http://www.kep.de ("Evangelical Media")
[238] Martens, *How Rich Is the Church?*, p. 109 ff.
[239] http://www.gtvh.de (Gütersloher Verlagshaus)

As the location in Gütersloh suggests, this publishing group emerged from the Bertelsmann publishing house.

"In 1835, Carl Bertelsmann founded C. Bertelsmann Verlag with its own printing works. The publishing focus was on Christian literature and general interest books. [...] Due to the publisher's liberal orientation and its involvement with the church, it was temporarily closed during the Nazi era. Reinhard Mohn took over sole management in 1947."[240] The *Gütersloh publishing house,* with its imprints, is, so to speak, the spin-off or specialist division for the traditional church-related activities that no longer hold any significance for a 'global player' such as the Bertelsmann Group.

Claudius Verlag

However, one should not assume that there is no competition between church-affiliated publishers. Let this be illustrated by two examples. Claudius Verlag, part of the Protestant Press Association for Bavaria, published the title 'The Enneagram: The 9 Faces of the Soul' in 1990. By 2000, it was in its 36th edition and had sold a total of more than 300,000 copies (paperback, 307 pages, DM 35). By spring 2001, 37 Enneagram titles were available (with the main wave of publications occurring between 1994–1996 and 1999–2000): nine titles from Claudius Verlag, six from Droemer-Knaur, three each from Goldmann and Herder, and a few other titles from various publishers.

Another 'bestseller' is the 'Evangelisches Gesangbuch' – also from Claudius Verlag: a 1,600-page anthology which has already sold 850,000 copies since its publication,[241] 600,000 of them in Bavaria alone.[242]

This leads us to the fact that Claudius Verlag is, amongst other things, the 'official publisher' of the Protestant Lutheran Church in Bavaria and that the hymn book is correctly titled: "Protestant Hymn Book for the Protestant Lutheran Churches in Bavaria and Thuringia", available in nine different editions (as a parish edition – church property, as a gift edition, as a small edition, as a standard edition with and without harmony notation, and in large print).

So if there is a separate hymn book for Protestant-Lutheran Bavaria and Thuringia... well, then other regional churches have one too their own

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[240] Rüdiger Liedtke: *Who Owns the Republic? The Corporations and Their Interconnections.* 2001. Frankfurt: Eichborn, 2000, p. 81.

[241] http://www.epv.de/epv/claudius.html

[242] http://www.claudius.de

Protestant hymnbooks. (Not that a Lutheran would sing in the Reformed style, for instance.)

69 editions are available[243] and the market is divided by regional church: Wichern Verlag, Berlin (Saxony and Mecklenburg), Schlüter Verlag, Hanover (Hanover and Bremen), Spener Verlag, Frankfurt (Hesse and Nassau), Evangelische Verlagsanstalt, Leipzig (Regional Church of Saxony), Wittig, Kiel (North Elbe), Neukirchener Verlag, Neukirchen (Rhineland, Westphalia and Lippe), Claudius Verlag, Munich (Bavaria and Thuringia). But there is also a 'standard edition', published by Vandenhoeck & Ruprecht, Göttingen.

Let us end this list here, for if one were to start counting how many editions of the Bible are currently in print... It is not an endless list, but there are currently around 1,600 different editions of the Bible available on the German book market.

9.5. Printing houses

Just as monks in the Middle Ages reproduced Bibles and tracts in monasteries, some dioceses and regional churches still attach great importance today to keeping the reproduction of their publications under their own control, i.e. to owning their own printing works.

Thus, taking the Diocese of Aachen as an example, the small Paulinus printing works grew into a company that today calls itself *the Paulinus Group*.

Among Christian aid organisations, we had already come across the *Bonifatius Printing House* (Paderborn), which was founded in 1869 by board members of the Bonifatius Association as an independent commercial enterprise. The company's net profits are then donated to the *Bonifatiuswerk* for pastoral care of the diaspora.

But the monks still print today, too. No longer using hand-setting and letterpress, but with remote data transmission and Heidelberg four-colour Speedmaster presses in the 72 x 102 cm format: such is the monastic *Benedictpress*, a division of *Vier-Türme GmbH*, which in turn is an independent commercial enterprise of the Benedictine Abbey in Münsterschwarzach (near Würzburg).

However, my respect for the daily lives of monks of the Benedictine Order – who are not a burden on anyone, but earn their own living and make use of the very latest technologies in doing so – took a severe knock when I read what was written under 'P for Price' in the self-description 'So that you are fully informed about us from A to Z' : "Of course, we have a completely different work

[243] see http://www.amazon.de (search: Evangelisches Gesangsbuch)

ethic, which guarantees you not only honesty but also fair prices. This is the motto of Saint Benedict: 'Monks should be cheaper than others in everything they do – for the sake of God'. You can count on the fact that this price advantage also means a gain in quality."[244] I now find it amusing that, in economically difficult times for the printing industry, a printing house is promoting its dumping prices as "pleasing to God".

But there are also monastic rotary printing works for magazines: St Ottilien Archabbey (EOS Druck und Verlag) prints the German Jesuits' mission magazine, and the Mariannhill Mission has its own Mariannhill Mission Printing Works in Reimlingen.

Where are the printed books and magazines now kept?

9.6. Libraries

We are not talking here of the academic church libraries and the magnificent monastic libraries (more on this later in the chapter: *Art, Sacred*), but rather of the approximately 4,500 Catholic and 1,038 Protestant libraries (in the western regional churches alone), most of which are run by local parishes, and in which some 38,000 volunteers selflessly 'render a valuable service to the common good' [245].

However, the official parish statistics for the whole of Germany list only 135 church-run public libraries – 124 under Catholic and 11 under Protestant sponsorship – for which (in 1998) DM 14,340,000 was spent from public funds.[246]

The discrepancy in the figures regarding the number of church libraries is likely due to the fact that official municipal statistics only classify as 'public libraries' those institutions that "fulfil the function of general public libraries and are staffed by full-time employees (at least one post comprising 20 hours per week)",[247] and the small parish library, with one volunteer and four hours of opening time per week, is not taken seriously as a 'public library'.

The 'Catholic public libraries' in the parish of St. Nikolaus / Rodgau (in the Diocese of Mainz) are cited as typical examples. Jügesheim: 2,700 volumes. Opening hours: Sundays 9.30–11.30 am, and Tuesdays/Thursdays 4.00–6.00

[244] http://www.vier-tuerme.de/Druckerei/Alphabet (page 10)
[245] Secretariat of the German Bishops' Conference, (http://www.dbk.de)
[246] German Association of Cities: *Statistical Yearbook of German Municipalities 1999*, p. 242.
[247] German Association of Cities, *Statistical Yearbook of German Municipalities 1983*, p. 276.

pm., Dudenhofen: 2,500 volumes. Opening hours: Sun 10.30 am–12.00 and Wednesdays 18.00–19.00.

The classification is accepted with self-criticism: "Volunteer-run micro-libraries with an average stock of 3,124 items are considered to be at the bottom of the German library landscape". But: "In addition to external factors such as proximity to home, they offer a key element: personal contact." [248]

The 135 'state-recognised' church libraries have a stock of 1,593,896 books (an average of 11,800 volumes). If we assume a stock of 3,200 books per institution for the remaining approximately 5,240 church libraries, this results in a total stock in these church libraries of around 18.4 million books. If we now assume that these books have an average 'flea market value' of five marks, they represent an asset value of DM 92 million.

9.7. Electronic media

When modern media (radio, film, television) began their triumphant advance, Catholics enthusiastically embraced the opportunities, whilst Protestants had reservations.

"When radio broadcasting began in Germany on 29 October 1923, a heated debate broke out within the Protestant Church regarding participation. [...] To opponents, church radio broadcasts appeared to be in competition with Sunday services; they warned that radio would isolate people and trivialise culture." [249] 1923! That should ring loud and clear in the ears of today's television critics.

The old 'pietistic' reservations and the new 'narrow-mindedness' of the regional churches have left the fragmented Protestant churches mercilessly trailing behind their centrally organised Catholic rivals.

9.7.1. Film

In **film production**, *Eikon GmbH* (Potsdam) is the most important Protestant production company (owned by twelve member churches, the Diakonisches Werk and several other church institutions and organisations). Although it has expanded its business activities beyond ZDF to include ARD channels and private broadcasters, this

[248] Gabriele Kassenbrock: "Die Bücher sind nur die eine Seite …", in: *BuB* (Buch und Büchereien), No. 52 (2000), p. 364.

[249] Patricia Schmidt-Fischbach: "Die Geschichte evangelischer Rundfunkarbeit", at: http://www.ekd.de/rundfunk

, the accumulated losses could not yet be offset.[250] Last production (1997/98): "Reise in die Nacht" (TV movie, issue-based film, rape, justice),[251] World distribution: ZDF Enterprises.

All other small production companies were founded by individual regional churches to organise a regional supply service:

- *Imatel* Mediengesellschaft mbH (Württemberg),
- Evangelisches Fernsehen / efs (Northern Germany),
- Evangelischer Kirchenfunk / ekn (Lower Saxony),
- Evangelischer Rundfunkdienst / ERB (Baden), and
- Evangelisches Fernsehen / efs (in Bavaria).

However: "The Protestant production companies are competing enterprises that operate independently of one another. To date, there have been no collaborations or joint productions." "On the Catholic side, production capacities have been consolidated. Under the umbrella of *Tellux*, several companies operate in competition with one another, but in a coordinated manner with specific tasks and avoiding uneconomical competition."[252]

Tellux Group

You have no doubt already seen a film by one of these companies without realising it. The Tellux Group produces feature films as well as television films, programmes and documentaries for all German television broadcasters.

Tellux-Film GmbH was founded in Rottenburg in 1960 and, following the merger with *Provobis*, relocated to Munich. Since 1994, the correct name has been *Tellux Beteiligungsgesellschaft mbH Munich,* and the majority shareholders are nine Catholic dioceses.[253]

The main production companies are *Tellux-Film* (in Munich) and *Provobis-Film* (in Hamburg), as well as *Alpha Entertainment* Film und Fernsehen GmbH (in Mainz), *Arena* Film und TV GmbH (in Hamburg) and *ABC-Studio* audiovisuelle Produktionsgesellschaft mbH (in Wiesbaden), through which *Tellux* holds a stake in *the ABC & Taunusfilm film lab*.

Well-known productions by Tellux and Provobis:

- *Glut unter der Asche* (2000, TV, 7 episodes, with *Eikon Film* for ZDF),
- *2000 Years of Christianity* (1999, TV, with *Imatel* for ARD, 13 episodes)

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[250] See: EKD text: *Mandate and Market*. Perspectives on Protestant Journalism, point 6.5. (drafted in 1997) via: http://www.ekd.de/EKD-Texte/gesamtkonzept

[251] http://www.movieline.de (see: database)

[252] EKD text: *Mandate and Market*, point 6.5., Church television production companies.

[253] http://www.telluxfilm.de

- *Trillenium* (1999, TV space film for SAT.1),
- *Else – The Story of a Passionate Woman* (1999, TV movie, starring Katja Riemann and Jürgen Holtz / co-produced by Bayerischer Rundfunk),
- *The Bride* (1999, cinema/TV, starring Veronika Ferres and Herbert Knaup / ARD contribution to the Goethe Year),
- *Feuerreiter* (1998, cinema, Hölderlin film),
- *The Colour of Life* (1997, cinema/TV, based on the play 'Brother of Our God' by Karol Wojtyla / ARD),
- *Nikolaikirche* (1995, cinema/TV),
- *Mario and the Magician* (1994, cinema/TV)

and many more, including crime-series "Tatort" and "Polizeiruf 110".

- *Schwarz greift ein*, the popular TV series on SAT.1, was/is produced by ABC Studios.

After the fall of the Berlin Wall, Tellux established branches in Leipzig and Dresden (MDR!), among other places, and in April 1997, together with the MDR subsidiary *drefa*, acquired an equal share of the former GDR film distributor *Progress*, which holds the full exploitation rights to DEFA films.

The Luxembourg-based *Sankt-Paulus Group*, which serves the commercial video market through its subsidiary *videopress*, holds a five per cent stake in the Tellux Group, which also operates a number of technical service companies.

"Tellux Group"				
⇓		⇓	⇓	⇓
Production	⇔	Distribution	⇔ Rights ⇔	Exploitation .
Tellux – Film		*Progress*	*DEFA*	*Catholic Film Foundat.*
Provobis Film			*St. Paulus Group*	*videopress*
Alpha and *Arena*				

Distribution (i.e. sales) for non-commercial use (parishes, educational institutions, hospitals, etc.) is handled by the *Catholic Film Foundation*.

Thus, Tellux, with its technical subcontractors, can not only offer its services as a competent producer to any client, but is also responsible for secondary and tertiary exploitation. An efficient structure.

In addition, Tellux Beteiligungsgesellschaft is active in private radio. The Tellux Group's turnover amounted to DM 57.2 million in 1997, DM 68.8 million in 1998 and DM 68.0 million in 1999.

In **film distribution**, alongside this concentrated strength of Tellux / Progress / Katholisches Filmwerk, the Protestant *Matthias-Film* (in Stuttgart) appears

rather modest. Supported by the Diakonisches Werk, seven regional churches, three press associations and other church shareholders, it is indeed the most important licence dealer and licence exploiter in the Protestant sector, but can only draw on 'in-house' or 'affiliated' productions in isolated cases.

9.7.2. Radio stations

Do you listen to *Vatican Radio*? You don't need to, because from six o'clock in the morning it also broadcasts from Germany with 'Rosary – Listeners Pray Along'. Via Astra Digital Radio, you can receive the following from Immenstadt:

- *Radio Horeb*, through which the Catholic Church also aims to "make a contribution to new evangelisation in German-speaking countries".[254] The station's director cheerfully reported to friends in the May 2000 newsletter: "On the fringes of the spring plenary assembly of the German bishops, Bishop Dr Hermann Josef Spital of Trier, who is responsible for the media, announced that the official Church had no plans for its own radio or television station." Four weeks later, the unplanned event took place on the initiative of a single archdiocese.
- *Domradio*: "The Archdiocese of Cologne's own radio station with a 24-hours of programming". On air since Pentecost Sunday 2000.

"Domradio thus appeals not only to Christians closely connected to the Church, but also to the so-called 'Kölsch Catholics', who have a rather loose connection to their Church."[255]

- *Paradiso*. Christian Radio Berlin. On air since February 1997, it is the 'Protestant rival' to *Antenne Brandenburg.*

Initially hotly contested within the Protestant Church, as there were fears of difficulties with the public broadcasters, *Paradiso* ran into financial difficulties in autumn 1998 and now operates with a smaller staff and with support from the regional church and the EKD: Although *Paradiso*'s annual turnover is not known, its shareholders are – in keeping with the Protestant motto 'In diversity lies splendour': Protestant Press Association (over 50%), North Elbe Church (7.5%), Protestant Loan Cooperative (5%), Friends of Radio Paradiso e.V. (12.5%), Diakonisches Werk Berlin (0.5%) and the HUK-Coburg insurance group (2.5%).[256]

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[254] http://www.katholische-kirche.de (Platform, Radio category)

[255] http://www.katholische-kirche.de (News, press release from the Archdiocese of Cologne dated 7 June 2000)

[256] *Berliner Morgenpost* of 8 June 1997 ("Paradiso")

When it comes to private radio broadcasting, the Catholic sector is far ahead of other religious groups. Tellux Beteiligungsgesellschaft alone holds stakes in *Radio PSR* (in Leipzig) and *Antenne Mecklenburg-Vorpommern* through its company *Astratel* (in Stuttgart), and provides services via the two companies *KiP* (in Stuttgart) and *KiP-NRW* (in Essen) – KiP = Kirche im Programm – with the Catholic 'Radiomix'.

9.7.3. Bibel- TV

Finally, a report from outside the 'constitutional EKD'. From autumn 2001, a digital television channel is set to go on air, operated by the *Evangelical Alliance* (which has been broadcasting internationally for years via ERF – *Evangeliums-Rundfunk* – annual budget from donations: 27 million marks). Fifteen Protestant and Catholic organisations are involved, including the student organisation 'Campus for Christ'. The start-up funding (13.5 million) is being provided by the publisher Norman Rentrop (Bonn). The whole venture takes the form of a foundation and intends to broadcast only Bible films and readings from the Old and New Testaments. [257]

9.8. Conclusion

In the media sector, religious organisations generate a turnover of 285 million marks from magazines, 1.28 billion from publishing, 68 million from the film industry, and receive municipal grants of 14 million for their public libraries. The book stock has an estimated second-hand sales value of 92 million marks, whilst the publishing division has assets worth around 640 million.

This results in a total revenue/turnover of 1.6 billion and assets of around 640 million marks.

[257] http://www.kep.de (Press release of 12 January 2001)

10. Land and property

Land / Land areas / Valuation / Real estate (buildings) / Churches / Rectory and parish halls / Valuation of real estate / Other church buildings

It is commonly assumed that the churches, and particularly the Catholic Church, are so wealthy because they have owned vast tracts of land for centuries. Is there any truth in this?

10.1. Land holdings

It is noteworthy that in publications following the Second World War [258],the figures cited relate solely to post-war estimates, whilst statistical data available for the former German Reich were not further collected in the Federal Republic of Germany, or at least not published, and have also not been taken into account by post-war authors to date.

10.1.1. Area of the land holdings

For the year 1937, the statistics of the German Reich list the following for the territory of the Reich at that time as 'Church-owned land in agriculture and forestry':[259] Protestant Church and institutions: 444,231 ha, Catholic Church and charitable institutions: 257,046 ha.

Overview 93: Church-owned land (1937) Agricultural and forestry land

Owners	*ha*
Protestant regional and provincial churches	396,993 ha
Protestant institutions	47,238 ha
Subtotal Protestant	*444,231 ha*
Catholic property	202,971 ha
Catholic charitable institutions	54,075 ha
Subtotal Catholic	*257,046 ha*
Other	2,239 ha
Total church-owned land	**703,516 ha**

Source: Wirtschaft und Statistik, 1940, Issue 13, p. 246.

In relation to the territory of the Reich at that time, these church-owned properties accounted for 1.6 per cent of the land used for agriculture and forestry. Of this, 63 per cent was owned by the Protestant Church and 37 per cent by the Catholic Church and their respective charitable institutions.

[258] e.g. Martens, *How Rich Is the Church?* (1969)
[259] *Wirtschaft und Statistik,* issue 23 (1939) and issues 7/8 and 13 (1940).

At least as far as the 'constituted' churches are concerned, the claim that the Catholic Church held significantly more agricultural land in the German Reich in 1937 turns out to be a myth, as the Protestant churches owned almost twice as much land.

Overview 94: Agricultural and forestry land holdings of religious communities and denominational institutions in the states and provinces of the German Reich in 1937 – in hectares. (Broken down according to the political division following the Second World War)

	Protestant land ownership				*Catholic land ownership*			
Region	*Church*	*Institu-tion*	*Total*	*%*)*	*Church*	*Institu-tion*	*Total*	*%*)*
A. (Later) Federal Republic of Germany								
Baden	13,634	871	14,505	*48.9*	13,766	1,307	15,073	*50.8*
Bavaria	13,755	1,250	15,005	*15.6*	61,422	19,813	81,235	*84.4*
Berlin **)	216	0	216	*83.4*	1	0	1	*0.4*
Braunschweig	7,614	123	7,737	*99.8*	16	0	16	*0.2*
Bremen	276	4	280	*99.6*	1	0	1	*0.4*
Hamburg	377	8	385	*100*	0	0	0	*0*
Hanover	41,429	3,198	44,627	*83.4*	6,861	1,983	8,844	*16.5*
Hesse	5,483	142	5,625	*70.2*	2,144	231	2,375	*29.6*
Hesse-Nassau	11,580	1,725	13,305	*72.4*	3,139	1,571	4,710	*25.6*
Hohenz. Lande	1	0	1	*0.1*	1,110	93	1,203	*99.9*
Lippe	712	4	716	*77.5*	27	181	208	*22.5*
Oldenburg	2,933	98	3,031	*58.3*	1,915	250	2,165	*41.6*
Rhineland Province	5,586	1,203	6,789	*14.9*	31,268	7,452	38,720	*85.0*
Saarland	387	924	1,311	*61.4*	686	137	823	*38.6*
Schaumburg-Reutlingen	444	6	450	*100*	0	0	0	*0*
Schleswig-Holstein	12,123	1,617	13,740	*98.2*	115	72	187	*1.3*
Westphalia	5,033	1,163	6,196	*20.6*	19,863	3,431	23,294	*77.5*
Württemberg	3,598	365	3,963	*28.2*	8,635	1,289	9,924	*70.7*
Total A.	*125,181*	*12,701*	*137,882*	*42.0*	*150,969*	*37,810*	*188,779*	*57.5*
B. (Later – partly) German Democratic Republic								
Anhalt	5,510	346	5,856	*94.7*	326	0	326	*5.3*
Brandenburg	53,213	7,845	61,058	*94.9*	2,743	441	3,184	*4.9*
Mecklenburg	20,231	616	20,847	*99.9*	7	0	7	*0.03*
State of Saxony	60,765	3,439	64,204	*96.2*	1,479	989	2,468	*3.7*
Saxony	21,755	1,715	23,470	*85.7*	345	3,543	3,880	*14.2*
Thuringia	17,527	191	17,718	*95.9*	190	9	199	*1.1*
Total B.	*179,001*	*14,152*	*193,153*	*94.7*	*5,090*	*4,982*	*10,072*	*4.9*
C. (Later – partly) Former Eastern Territories								
East Prussia	21,870	5,426	27,296	*65.1*	12,212	2,369	14,810	*34.8*
Pomerania	59,149	13,917	73,066	*91.8*	6,262	202	6,464	*8.1*
Silesia	11,792	1,042	12,834	*25.6*	28,438	8,712	37,150	*74.2*
Total C.	*92,811*	*20,385*	*113,196*	*66.0*	*46,912*	*11,283*	*58,195*	*33.9*
Total	**396,993**	**47,238**	**444,231**	***63.1***	**202,971**	**54,075**	**257,046**	***36.5***

**) The remainder of the sum of the digits, which does not add up to 100 per cent, is held by other religious communities and their institutions.*
***) Not broken down into East and West Berlin.*

Source: Wirtschaft und Statistik, 1940, Issue 13, p. 247 – Own reclassification

A breakdown of the 1937 figures in terms of the political order following the Second World War illustrates the changes.

For the territory of the future Federal Republic of Germany, the distribution of the churches' agricultural land holdings was as follows: Protestant regional churches and parishes 125,181 ha, Protestant institutions and foundations 12,701 ha, Catholic dioceses and parishes 150,969 ha, Catholic institutions and foundations 37,810 ha. This amounts to 137,882 hectares for the Protestant sector and 188,779 hectares for the Catholic sector, or a ratio of 42 to 58 in favour of the Catholic sector.

Since the Second World War, only the **Protestant Church** in Germany has published figures on its land holdings. In 1962, 1975 and 1986, statistical surveys were carried out within the member churches of the EKD on the stock and use of church-owned land.

As always, the figures relate to the organisations of the "constituted church", i.e. diaconal institutions, foundations and anything that is formally independent are not included in these figures.

Based on these surveys, the church bodies within the constituted Protestant Church in Germany owned the following land:

Overview 95: Land holdings of church bodies within the EKD

Type of property	*1962*		*1975*		*1986*	
	Ha	*%*	*ha*	*%*	*ha*	*%*
Built-up land	7,000	5.1	8,916	6.3	9,460	6.6
Agriculture	100,000	73.3	100,603	70.6	101,006	70.0
Forest	23,000	16.8	25,436	17.8	26,328	18.2
Paths, wasteland and water bodies	2,500	1.8	3,311	2.3	3,138	2.2
Cemeteries	4,000	2.9	4,284	3.0	4,432	3.1
Total	*136,500*	*100*	*142,551*	*100*	*144,364*	*100*

Source: Dieter Rohde: Church Statistics, in: 'Church Yearbook for the Protestant Church in Germany', 1987, Issue 3, Facts and Figures in Church Life, p. 34

Of this total landholding, 125,500 hectares were reported in 1962 for the Federal Republic as "agriculture, forest, roads, wasteland and water bodies" – a figure that corresponds very closely to the 125,181 hectares recorded in 1937 as belonging to the regional churches and parishes for a comparable area.

The comparison and the correspondence between these figures from 1937 and 1962 for the EKD thus allow us to conclude that the figures for the Catholic Church should likewise be accepted.

The question of the extent to which church land holdings increased following reunification is hampered by the problem of differing or non-existent data.

Even in its statistical information from January 2001, the EKD only states its land holdings from 1984 in the West.[260]

According to internal estimates by the EKD (in 1947), the combined holdings of both churches totalled 607,099 hectares; however, if the 1937 administrative division were applied, this would amount to only 529,886 hectares of agricultural land.

As the border demarcations in the division of Germany following the Second World War between the future Federal Republic and the GDR were based on the old state borders, the allocation in the West is largely identical. However, the eastern demarcation of the 'Oder-Neisse Line' divided the old provinces of Brandenburg, Pomerania and Silesia, so that Western Pomerania and parts of Lower Silesia became part of the territory of the GDR, whilst parts of Brandenburg fell to Poland. In this respect, the EKD's internal calculation should be taken as the correct breakdown of the land holdings.

Overview 96: Changes in church ownership of agricultural and forestry land from 1937 to 1990 (in ha)

Year	*Protestant*	*Catholic*	*Total*
1937	444,231	257,046	701,277
1945 Loss in the German eastern territories: 94,178 ha As Upper Silesia and East Prussia were Catholic, and Pomerania and Brandenburg Protestant: loss 50 : 50			
	./. 47,089	*./. 47,089*	*./. 94,178*
1946	397,142	209,957	607,099
1949 Of this, 219,500 ha were located in the Soviet Occupation Zone / GDR. As Mecklenburg-Western Pomerania / Brandenburg / Saxony-Anhalt / Saxony / Thuringia were predominantly Protestant: Loss: for the western churches 95 : 5			
	./. 208,525	*./. 10,975*	*./ 219,500*
1950	188,617	198,982	387,599
1989 As church property in the GDR had not been touched, it has been preserved in its entirety:			
	+ 208,525	*+ 10,975*	*+ 219,500*
1990	**397,142**	**209,957**	**607,099**

Source: Mona Langen: 'Evangelischer Wohnungsbau in Bayern', pp. 45–49. Further references to church archives and explanations can also be found there. "Changes": Own calculations

The states within the GDR were the original domain of the "East Elbe Junker" and the Protestant Church. Whilst the nobility lost their property twice – once to the

[260] Protestant Church in Germany, *Statistical Data*, January 2001.

Russian occupying power, and a second time under the Unification Treaty – the land holdings of the churches were left untouched by the GDR government.

For the Protestant Church and its institutions, therefore, agricultural and forestry land holdings of 397,142 ha, which had increased by a further 4,972 ha in the West, making a total of 402,114 ha. To this must now be added built-up areas: 9,460 ha of built-up land in the West (6.6%) and 15,245 ha in the east (5%)[261], totalling around 24,700 ha of built-up land. And finally, the cemetery areas of 4,432 ha in the west (3.1%) and 6,574 ha (2.9%) in the east, totalling 11,000 ha of cemetery land. With reunification, the land holdings of the Protestant Church and its institutions in Germany thus increased to 432,000 hectares – and so have the associated problems. Vast estates, a multitude of churches and no money, as the paying members have since been lost.

To date, the **Catholic Church** has not provided any official figures of its own regarding the land holdings of the (arch)dioceses and Catholic parishes. In a conversation with the head of a diocese's property department, he certainly lamented this lack of information, but felt unable, due to the limited staffing of his department, to survey all 1,000 parishes in the diocese, which would have been necessary for this purpose.

However, as the same ratios can be assumed for the Catholic Church and its institutions as for the Protestant Church, it should, based on the 1937 figures, have over 209,957 hectares of agricultural and forestry land, which has increased by 7,960 hectares (4%) to 217,900 hectares as a result of acquisitions in the West.

Since (as with the Protestant Church) this area represents 90.4 per cent of the total land holdings, a further 15,900 ha of built-up land (6.6 per cent) and 7,470 ha of cemetery land must be added. In total, therefore, the Catholic Church and its institutions would have to possess land holdings of 241,300 ha.

This would result in a ratio of 65 to 35 in favour of the Protestant Church in terms of land ownership.

In contrast, in 1969 the 'Catholic Church's' holdings (in the territory of the former Federal Republic) of agricultural land amounted to a reputable au-

[261] For the percentage shares in the East, the EKD figures from 1962 (in the West) were used as a basis, as they correspond very closely to the data from 1937.

thor[262] at 350,000 hectares = 3,500,000,000 square metres. (To this would now be added the 11,000 ha in the East, plus the built-up areas, the roads and the cemetery areas, totalling around 31,300 ha.) This would therefore amount to around 392,300 ha today.

This high and rounded estimate, on the basis of which the Catholic sector holds considerably more land than according to the above calculation, can only indicate that 43 per cent of the Catholic land holdings estimated in 1969 (around 151,000 ha) belongs to the legally independent religious orders. For the 8,041 monastic settlements in 1969, an average landholding of just under 19 hectares per settlement would have to be assumed – a very realistic lower limit, as the monasteries have always relied on agricultural self-sufficiency. For instance, the (Protestant) Klosterkammer Hannover, into which the land holdings of several monasteries and foundations were consolidated in 1818, still owns 37,678 hectares of land today. Accordingly, land holdings will not be calculated in the subsequent chapter *on religious orders* to avoid double counting.

Distribution of denominational land holdings

Protestant sector	Catholic sector	
Protestant Church	Catholic Church	Religious orders
432,800 ha (53%)	241,300 ha (29%)	151,000 (18%)

Based on these figures and calculations (1990), **the two denominational sectors** together own approximately 825,100 hectares of land in Germany, equivalent to 8,251,000,000 square metres. This area of 8.25 billion square metres is roughly equivalent to:

- 11 times the area of the federal state of Hamburg, or
- just over half the area of the federal state of Schleswig-Holstein, or
- 12 per cent of the land area of Bavaria, or
- 2.3 per cent of Germany's total area.

In particular, the last comparative figure (2.3 per cent of Germany's total area) indicates that these figures are plausible, as the last official censuses (from 1937), which at the time did not include built-up land, cemeteries and

[262] Martens, *How Rich Is the Church?*, p. 145

monastic property, already accounted for 1.6 per cent of the total area.

The frequently asserted view that the two major state churches are the largest landowners in Germany after the state must be qualified, at least as regards western Germany.

Insofar as the Catholic Church and the Protestant churches in Germany are regarded as *a single entity*, this may well be correct. However, one must consider the formal structure whereby the dioceses, regional churches and all parishes constitute independent legal entities – in 1937, the 703,516 hectares of agricultural and forestry land were owned by a total of 29,641 legal entities.[263]

Counting all Protestant and Catholic bodies together as the 'Church' leads to a different benchmark: the land holdings of the German Nobility Association.

The land holdings of just five noble families alone—who acquired their titles in connection with the suppression of the peasant uprising from 1521 to 1527 (Löwenstein, Oettingen, Erbach, Waldeck and Walburg)—amounted in 1976 to a total of approximately 800 million square metres of land in West Germany.[264] Two further families: the von Bismarcks own, amongst other things, the largest part of the 'Sachsenwald' (6,000 hectares[265]) and the von Oldenburg family approximately 13,800 hectares. And these are just seven of several hundred noble families in Germany.

In this respect, 'the churches' rank at least third in the list of Germany's largest landowners, behind the state and the German Nobility Association.

Whereas thirty years ago it was still the case that 'the principle of the inalienability of church property remains as valid as ever',[266] things have since begun to change. A statement from the Diocese of Berlin regarding the 1998 budget reads: '... and covering the deficit through the sale of land assets (7.4 million) enables a balanced budget.'[267]

This property has traditionally been used predominantly for agricultural purposes. Forest holdings in particular were regarded as a secure investment: after all, forest owners had preserved their wealth through all crises (inflation, currency (insurance reform) and both world wars relatively unscathed.

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[263] *Wirtschaft und Statistik*, 1940, (Issue 13), p. 246.
[264] Bernt Engelmann, *Wir Untertanen*, Frankfurt, 1976, p. 78.
[265] **Hamburger Abendblatt**, 13 September 1999, p. 6.
[266] Martens, *How Rich Is the Church?*, p. 145.
[267] http://www.kath.de/bistum/berlin/institut/kisteuer/einaus

Around 90 per cent of the land holdings of Protestant bodies (1986, see Overview 95) consist of agricultural land (70 per cent) and woodland (18 per cent). The largest relative increase, however, is in the area of built-up land, which grew by 35 per cent between 1962 and 1986—i.e., land that was purchased—and accounted for 6.6 per cent of the total land holdings.

However, this by no means covers the entirety of church-owned land, since, for example (as a preview of later chapters), only the three church foundations Juliusspital (4,597 ha), the Klosterkammer Hannover (37,000 ha) and the Braunschweigischer Kloster- und Studienfonds (8,300 ha) together hold land holdings of 49,897 hectares, i.e. a further 500 million square metres. For the time being, however, we shall stick to the figures mentioned so far.

If we compare the figures for total land use in Germany with the church-owned land mentioned above, the following comparison emerges, even though the categories are not entirely identical.

Overview 97: Land use in Germany 1992 / EKD 1986

Type of use	*Germany*	*EKD*
Urban and transport areas	12.2	6.6
Agricultural land	54.7	69.9
Forest area	29.1	18.2
Water area	2.1	(2.2)
Land used for other purposes	1.8	(3.1)

Sources: Wirtschaft und Statistik 7/1991, p. 432; Dieter Rohde, Kirchliche Statistik, 1987.

Although the distribution of church-owned land corresponds to the basic principle of general distribution, the proportion used for agriculture is higher than the overall average, whilst forest ownership is lower. Furthermore, the proportion of 'lucrative' settlement land (building land) owned by the church is only below average.

10.1.2. Assessment of the land holdings

Assuming that the percentage shares of church land for both official churches are comparable and consistent, the following distributions of denominational land holdings result for 1990:

Overview 98: Land use of denominational property

Developed land	(6.6%)	544,566,000 sq m
Agricultural	(69.9%)	5,767,449,000 sq m
Forest	(18.2%)	1,501,682,000 sq m
Paths, wasteland, water bodies	(2.2%)	181,522,000 sq m
Cemeteries	(3.1%)	255,781,000 sq m
Total		*8,251,000,000 sq m*

Assuming an average market value of DM 300 per square metre[268] for the developed land, the two churches and the religious orders thus have assets of around 163 billion (DM 163,369,800,000). For agricultural land, an average purchase price[269] of DM 21,280 per hectare results in an asset value in the region of 12 billion (DM 12,273,131,000).

As this agricultural land, which is predominantly owned by the parishes, is traditionally leased out, the churches receive annual income from leases amounting to DM 169,563,000, based on an average lease payment of DM 294 per hectare[270]. For the forest, assuming DM 5,000 per hectare, an asset value of DM 750,840,000 is to be applied.

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[268] This average value is based on the following: "On average across major West German cities, a square metre of building land for a detached house in a standard residential area costs DM 480, unchanged from the previous year. The price range extends from DM 110 in Bremerhaven to DM 1,175 in Stuttgart. (...)" (Press release from the Ring Deutscher Makler (RDM) dated 18 March 1999.)
The Institute for Urban Planning, Housing and Building Savings calculated an average price for building land across Germany of DM 132 for 1998 (see Dresdner Neueste Nachrichten, 8 October 1999, p. 6).
A weighting between East and West (area shares) and between urban and rural areas suggests that a reduced average price of DM 300 per square metre is a plausible estimate.

[269] The average purchase price for agricultural land in 1992 was DM 20,178 per hectare in western Germany (Bavaria: DM 55,678, Schleswig-Holstein: DM 15,425), and an average of DM 9,231 in the east (Thuringia: DM 13,983, Mecklenburg-Western Pomerania: DM 5,775). (See *Yearbook of the Federal Republic of Germany* 1996, Munich, 1996, p. 176).
An exact weighting of all influencing factors (East/West, size of the area sold, yield figures) yields the following results: 1991 = DM 26,289, 1994 = DM 21,842, 1995 = DM 21,280. See: Federal Statistical Office: 'Economy and Statistics', 1996, Issue 10, p. 600.

[270] *Statistical Yearbook* 1999, p. 154 ff. 'Leased land and lease payments' (including the new federal states).

Without taking into account the wasteland, the water bodies and the cemetery grounds (which these days are generally regarded as little more than hazardous waste dumps), the land in both sectors has a total asset value of around 176 billion (DM 176,393,771,000).

'That won't do,' one might immediately object, 'since the building plots are not, after all, developed with ordinary residential and commercial buildings, but with churches that cannot be sold.' So let's take a closer look at the church-owned building properties.

10.2. Real estate (buildings)

It is more than obvious that the churches own buildings, as the 'core buildings' are named after the organisations themselves.

10.2.1. Churches

The building activity of the two major established churches after the Second World War has, in terms of the number of churches, surpassed all previous centuries. However, the claim that 'more churches were built in Germany after the war than from the birth of Christ until the Second World War' is not correct when applied to the whole of Germany. [271]

And even if this were actually the case, the churches would have built comparatively fewer than in the housing construction of the (old) Federal Republic of Germany: as early as 1972, only half of the total housing stock dated from before 1945.[272] The reasons for this are the same as for 'houses of worship': war damage, an influx of refugees and displaced persons, and changes in settlement patterns.

In 1939, there were approximately 9,800 Protestant churches in the territory of the 'old' Federal Republic. 'A good quarter of these were destroyed during the war, (...) a large proportion were rebuilt.' 4,350 undamaged churches were restored and around 2,400 churches were newly built by 1966[273] – cost-effective functional buildings. In 1966, of all existing churches – or, to be more precise, 'places of worship' – only about 20% of the EKD's buildings were new constructions. In addition to the more specific sphere of pastoral care, further church buildings must be included – the parish halls and vicarages – which are usually situated next to the church itself on the same plot of land.

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[271] For large cities, such as Hamburg, however, this is not a rumour but a fact. See *Baustelle Kirche*, Issue 2 (25 May 1999), published by the Alt-Hamburg church district.

[272] See Bernhard Schäfer: *Sozialstruktur und Wandel der Bundesrepublik Deutschland,* Stuttgart, Enke and dtv, 1976, pp. 240 ff.

[273] Martens, *How Rich Is the Church?*, p. 69.

Whilst the number of churches increased by only 12 per cent in the twenty years from 1962 to 1981, the number of parish halls grew by 122 per cent and that of vicarages by 24 per cent.

Overview 99: Places of worship and other church buildings in the member churches of the EKD

Year	Churches	Parish halls	Rectories	Total
1962	10,334	3,916	9,692	23,942
1970	11,391	5,949	11,101	28,441
1981	11,629	8,728	12,018	32,375
1999	20,025	12,557	17,186	49,768

Sources: Dieter Rohde: Church Statistics, in: Church Yearbook for the Protestant Church in Germany, 1987, p. 298 (for 1962–1981). EKD Church Office (for 1999).

No official figures on church buildings are available for the Catholic Church.

As no figures have been published since reunification, enquiries to the EKD Church Office and the Secretariat of the German Bishops' Conference regarding the current situation yielded the following figures: 20,025 Protestant churches (plus 1,608 chapels, 1,991 cemetery chapels and 3,148 worship rooms in parish centres), and 13,329 Catholic parishes (which can only be taken as the minimum number of churches, as it is quite possible that two churches belong to a single parish). Together, the two bodies therefore currently have around 33,350 churches (not including other places of worship).

The backlog in church construction had evidently been cleared by the end of the 1960s, and there were increasing calls to build churches 'in a more contemporary style', for example without a steeple, since, after all, nowadays 'everyone has a wristwatch'.[274] Recently, even church congregations have been opposing the construction of new churches, as in Holm, in the district of Pinneberg near Hamburg, where the pastor wants to build a new church. 'Actually, Holm has everything that makes a village: a school, a nursery, a supermarket, a savings bank, a fire station. (...) Only the church is missing from this village, which is almost 750 years old."[275] There are discussions in the village, and enough signatures have been collected for a referendum against the church building.

[274] Martens, *How Rich Is the Church?*, p. 72.
[275] *Hamburger Abendblatt*, 1 September 1999, p. 7.

Let us return to the existing churches: can these buildings be assessed in economic terms? No, is the immediate answer: you cannot sell a church! It is indeed a property, but not just any commercial asset; it is a consecrated space. Yet even this answer is beginning to shift. What else can one do with a church other than hold services there?

The practice, which has existed for several years now, of renting out individual churches for events alone points to a commercial use for these buildings that goes beyond the church services, which visitors can attend without paying an entrance fee.

Many older church members in Hamburg still recall with horror the 'Techno Night' on 19 February 1996 at St Catherine's Main Church – after all, some young people want to do more than just play and listen to guitars and trombones – and even years later (the experiment was never repeated), Hamburg's then First Mayor Henning Voscherau asked: "Where does the opening up of the church end and where does pandering begin?"

Can church buildings generally be commercialised, whilst observing the principle that 'anything that contributes to meaning has a place in the church space'?

From a theological perspective, there are no problems – at least from an Protestant-Lutheran perspective: 'Ecclesia', i.e. the Church, is the congregation of believers. The building surrounding it is merely a shell. That is why church services can also take place in any other 'secular' space. In other words: it is not the space that is 'holy', but what takes place within it. The view that the building itself is also 'holy' stems more from the 'collective unconscious with its longing for metaphysics'.

A building is 'consecrated' as a church through the first service (the concept of sacrifice = holy altar) and can likewise be 'deconsecrated' again. In canon law, the designation of an object for a specific purpose is the 'act of consecration', and this purpose is attached to the object. This consecration creates protection under public law against misuse, and so not only is the church building protected, but the parsonage is also not a 'normal' dwelling. 'Desecration' (the revocation of the purpose) is accordingly an act of ecclesiastical sovereignty and also means that all sacred parts of the building (cross, altar, baptismal font, windows, etc.) must be removed.

From the Catholic perspective, the answer is more difficult, as the question of who owns the church is only clear in the sense that it *does not* belong to the parish community and the parishioners traditionally have nothing to say.

The parishioners themselves have no legal standing; they are therefore 'not a legal entity, and consequently not a self-governing body. Consequently, they cannot have any share in the assets of the parish church, nor can they be involved in the administration thereof.'[276] Even though the parishioners have been granted the status of a legal person by the state through the right to levy church tax – from the perspective of canon law, they do not possess this status. Thus, the bishop, as the steward of the Holy One to whom the church building is dedicated, will decide what is to be done.

The fact that church buildings are not 'inviolable' not only in theory but also in practice can be illustrated by two examples.

In the Netherlands and the United Kingdom, declining church attendance has been an acute problem for several years now, and in both countries around two hundred churches have been sold over the past ten years.[277] Since then, images of a nightclub and a swimming pool that have been installed in these former churches have been circulated in Germany as cautionary examples of the new uses to which the buyers put them. But in Cologne, too, the Christuskirche was converted into a 'pub' a few years ago.[278]

From a historical perspective, the issue we face today was already a pressing concern during the Enlightenment and the subsequent reforms (1780–1820): a lack of interest among the faithful in attending church and an excess of churches. In Hamburg, for example, the Mariendom (the collegiate church, the sacred site of Bishop St Ansgar's altar) was 'sold for demolition' in 1803/1806. So it is possible – even if it simply makes ordinary Christians (with or without historical knowledge) shudder.

The churches themselves interpret the term 'ecclesiastical' buildings even more broadly than to mean merely the place of worship, the rectory and the parish hall. In addition to these church buildings in the narrower sense, the churches directly manage – i.e. own – schools, libraries, nurseries, hospitals, leisure and convalescent homes, convalescent homes for mothers, family education centres, homes for the elderly and nursing homes, homes for youth welfare and the homeless, facilities for the disabled, etc. (For independent diaconal/charitable institutions, see later in the chapter: *Welfare organisations*).

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[276] Frank, Church Tax and the Understanding of the Parish, in: Ockenfels/Kettern (eds.), *The Church Tax Controversy*, p. 196.

[277] The information and quotations in this section are taken from notes made during the 'Building Workshop' of the Alt-Hamburg church district: *Rediscovering the Church's Spaces*, held on 10 and 11 September 1999 at the Bugenhagenkirche in Hamburg-Barmbek.

[278] *DIE ZEIT*, 22 November 1996, p. 24, (Bierselig)

And as part of the cost-cutting measures in the mid-1990s, church authorities did indeed consider selling property. The Diocese of Trier writes: "In addition, efforts are being made to reduce the property portfolio through sales. However, it has become clear that 'the widespread belief that the Church owns a large amount of property has little basis in reality'."[279] In response to a query, a spokesperson for the diocese explained that initial attempts to sell properties (nurseries, chapels, etc.) had not been very successful.

It seems they were not yet aware that the work of a estate agent can generally be very 'thorny'. However, this does not, for the time being, alter the market value of the properties.

10.2.2. Property and Land holdings

In a comparison of church institutions/buildings directly owned by a Protestant regional church (Hanover) and a Catholic diocese (Freiburg), the 2,458 churches are matched by 2,309 buildings belonging to other church institutions (see the overview opposite).

Let us now return for a moment to the first point of this chapter: land ownership. For the Regional Church of Hanover, an area of 10,031,000 square metres is given for 1986 as 'land on which buildings for ecclesiastical and social purposes are situated'. If this area is extrapolated to the 1999 figure for church buildings (1,374 churches + 1,066 other buildings = 2,440 buildings), this results in an average land area of 4,111 square metres per building. For the 1,066 other buildings (for social purposes), this implies a total land area of 4,382,000 square metres.

To this must now be added the land areas of the 'plots developed with other buildings' owned by the regional church: 100,000 square metres, and the 'plots encumbered with leasehold rights': 1,409,000 square metres. In total, the Regional Church therefore has 5,891,000 square metres of developed land that is not occupied by churches.

[279] http://www..dioezese-trier.de/relaunch/bistum/bistum6.htm (An overview of the diocese's finances / 1999 budget)

Overview 100: Church institutions of the Regional Church of Hanover / of the Archdiocese of Freiburg, 1999.

Facility/Building	*Regional Church*	*Archdiocese*
Churches	1,374	1,084
Schools	-	15
Nurseries and after-school care	563	998
centres Services for the elderly	-	950
Social centres for the elderly	126	25
Care homes Hospitals	21	88
Leisure and recreation centres	59	29
Convalescent homes for mothers	5	-
Family education centres	10	-
Facilities for people with disabilities	95	43
Libraries	187	-
Shelters for the homeless	-	21
Youth care homes	-	24
Total (excluding churches)	*1,066*	*(2,193)*
Total (excluding churches and care		*1,243*

Sources: (Regional Church) http://www.evlka.de/statistik.html, (Archdiocese) http://www.kath.de/bistum/freiburg/frzahlen.htm

If we now apply the same ratios to the entire EKD as to the Regional Church of Hanover and treat the Catholic dioceses strictly on an equal footing, the result is the following 'higher-value' property holdings for both official churches: Total built-up area: 544,566,000 sq m. Of this, 43.3 per cent is built on with churches, 33 per cent with buildings for ecclesiastical and social purposes, 4.2 per cent with other buildings and 19.5 per cent with leasehold rights.

The 56.7 per cent of land not occupied by churches but by 'secular' buildings corresponds to an area of 308,769,000 square metres of easily commercialisable land and, at an average price of DM 300 per square metre, represents a total asset value of around 93 billion (DM 92,630,700,000).

This calculation represents only a minimum estimate. Furthermore, it can be assumed that the entire areas surrounding the central urban cathedrals (cathedral square, cathedral courtyard, etc.) – which are built up with residential and commercial buildings – are normally owned by the Church. For example, Article 11(1) of the 1965 Lower Saxony Concordat stipulates: 'The State transfers to the Bishop's See in Hildesheim ownership of the properties in Hildesheim, Domhof numbers 9, 10, 11, 17, 22, 23, 26, 27, 28, 29 and 29a and Pfaffenstieg 2, as well as the plot situated between Domhof 17 and 18. (...).” (2): “The State shall transfer to the Bishop's See ownership of the properties situated at Domhof 18, 19, 20 and 21 in Hildesheim as soon as new buildings have been erected for the State departments previously located there.”

new buildings have been erected for the State's offices located there" [280] Furthermore, "the State shall additionally transfer the former prince-bishop's palace, used as the State Court building, to the Diocese of Hildesheim in lieu of a transfer payment."[281] The 4.2 per cent of land mentioned above, developed with 'other buildings', would then be valued at a minimum of DM 1,000 per square metre as inner-city locations, which for these 22.9 million square metres (plus DM 700 per square metre) represents an additional asset value of around 16 billion.

The land 'encumbered' with leasehold rights (106 million square metres) would then generate annual leasehold rent income of 1.3 billion for the current finances. [282]

The land on which churches stand – and which we now know are not as sacred as one might think – is to be valued higher, as these are 'prime locations'. Traditionally, churches are situated in city, district and village centres, i.e. on sought-after sites for trade and commerce. However, selling these sites is not quite so straightforward, as, for example, municipal land-use and development plans may stipulate that the land is to be used as a church, and this designation must first be changed through political means in order to achieve a free market price.

If we assume an average price per square metre of DM 1,000 for these central locations, the property occupied by churches (235,797,000 square metres) has a sale value of 236 billion (DM 235,797,000,000). In summary, denominational property in Germany would be valued at DM 342 billion:

Overview 101: Valuation of denominational property

Woodland Agricultural land	DM	**750,840,000**
Building land, mid-range prices	DM	**12,273,131,000**
	DM	**92,630,700,000**
Building land, prime locations	DM	235,797,000,000
Real estate assets	*DM*	*341,451,671,000*

In accordance with the original distribution of denominational real estate, these assets are distributed among the

- Protestant Church DM 180,969,386,000
- Catholic Church DM 99,020,985,000
- Catholic religious orders DM 61,461,300,000

[280] Listl (ed.), *The Concordats and Church Agreements* ..., Vol. 2, pp. 25–26.
[281] Listl (ed.), *The Concordats and Church Agreements* ..., Vol. 2, p. 53.
[282] Calculation: 106,190,370 x DM 300 = DM 31,857,111,000 x 4% = DM 1,274,284,440.

A fact of which some bishops are well aware, and who, with good intentions and out of a sense of goodwill towards the financially strapped parishes, are actively discussing the issue of property sales. Some parish leaders, for example in the Regional Church of North Elbe, are, however, firmly opposed to this: After all, their parishioners are all laypeople when it comes to financial matters, and if an expert report were to make it public that the parish could raise several hundred thousand DM by selling a plot of land that is actually surplus to requirements – it would arouse greed and all hell would break loose, as naturally every working group in the parish feels it has too little money for its activities and would try to carve out as large a slice of this pie as possible. Even though the financial situation was currently extremely tight – they would prioritise peace within the congregation.

10.2.3. Valuation of the buildings

Following the valuation of the land, we now turn to the buildings and churches. In Germany, the two denominations own: 33,350 churches, around 30,500 parsonages and 22,000 parish halls (12,557 Protestant parish halls and centres, as well as an estimated 9,730 Catholic ones). These buildings now range from small parish halls to larger parish centres, from small village churches to Cologne Cathedral. Can these buildings even be valued?

Churches

The standard response is: Cologne Cathedral cannot be sold. Full stop.

It had already become clear that the view that 'it cannot be done' does not correspond to the facts, either from a theological or a canon law perspective. In only one federal state of the Federal Republic of Germany is this view—that a church cannot be sold—true. It is the city-state of Hamburg. Since the mid-19th century, the churches in Hamburg have stood on state-owned land and are administered by the State Property Office. The Property Office has concluded 'transfer agreements' with the churches, under which the churches are granted the use of the land for ecclesiastical purposes in return for a symbolic sum of money.

This is why the state of Hamburg, amongst other things, does not pay any state subsidies to the churches.

However, one should not assume that the people of Hamburg have taken secularisation a step further. As an alternative to paying cash or to cede land,

of which there was plenty, this transfer of monetary value has its own financial logic of economy.

Of course, the Hamburg churches on state-owned land can also be 'deconsecrated', but this then has the consequence that the building must be demolished at the parish's expense, as the Land Registry wishes to have the land returned in the same condition as it was ceded to the church: without a church building.[283] In Hamburg, however, no one would dream of having the 'Michel', one of the city's landmarks, demolished, for it 'has always stood there'.

The major churches, in particular, are more than just places of worship. They are part of a preserved cultural heritage that 'belongs' to a city. Thus, these major churches (such as the Frauenkirche in Munich, Speyer Cathedral, Cologne Cathedral, etc.) are not only churches, but also cultural heritage, monuments and, for most tourists, museums. This aspect brings us more specifically to the question of whether a church building 'can' be sold.

The following considerations are not a call for religious organisations to sell their churches. It is merely a question of whether it would be possible and what asset value they would represent. Even an industrial firm does not initially consider selling its factory buildings because they are an integral part of the company's operations, and yet they must be accounted for as assets.

The question of whether church buildings should be valued as 'assets' follows the logic of a homeowner who lives in their own house, thus using it for themselves and therefore generating no rental income. Nevertheless, the house counts as part of their assets. Accordingly, for example, the Klosterkammer Hannover and the Braunschweig Monastery and Study Fund classify the churches and monasteries they own as assets on the one hand, but describe them either as 'non-income-generating assets' that are not valued, as they have no market value—with the exception of the vicarages—[284] or note regarding these items of their assets that no income can be generated from them.[285]

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[283] This information is also taken from the minutes of the 'Buildings Workshop' of the Alt-Hamburg church district: *Rediscovering the Church's Spaces*, held on 10 and 11 September 1999.

[284] Klosterfonds und Klosterkammer Hannover, in: *Niedersachsen,* Zeitschrift für Heimat und Kultur, Vol. 97, August/September 1997, p. XXVIII.

[285] Braunschweig Monastery and Study Fund: *The Foundation's Assets*, in: http://www.bezirksregierung-braunschweig.de/ Dezernate/...

Even though it is theologically and canonically permissible to sell church buildings, general cultural interests argue against this in the case of a number of 'significant' churches. However, it had already become clear with the 'sale for demolition' of Hamburg's Mariendom that cultural perceptions can also change. 'Culture' is merely the current, historically specific expression of the socio-political conception of what culture is.

In German politics and society, any idea of using a church for anything other than a church immediately evokes a fatal resemblance to the Soviet practice of closing Orthodox churches, converting them into museums or even turning them into stables. Which, incidentally, is exactly what Napoleon's French occupying army did to the venerable main church of St. Petri in Hamburg: they turned it into a stable.

Conclusion: Even Cologne Cathedral can be sold, if one so wishes. So let's give it a go. There would presumably be plenty of interested parties – as is so often the case, it will be a question of price. Can the selling price of Cologne Cathedral (or any other major church of cultural heritage) be determined? No.

For the simple reason that it has not yet been put up for sale and therefore has no market price.

But the cathedral stands on one of the most expensive plots of land in Cologne: a prime city centre location, right next to the station, ... A wonderful site for a huge modern shopping centre with a large cinema and an events centre.

How has Cologne Cathedral been used so far? As a building for church services and devotions. The church members have no further rights in this cathedral, for example, a lying-in-state with a funeral mass is a privilege reserved for the diocesan bishop and the members of the cathedral chapter. This privilege has been relaxed only twice in the past fifty years: for the founder of the 'Rhenish-Catholic Federal Republic', the former Federal Chancellor Konrad Adenauer (1967), and for the immensely popular 'people's actor' Willy Millowitsch (1999).

Opinions vary widely on the question of further use. They range from outright rejection: 'It's still not finished and costs a fortune in repairs', to the well-meaning view: 'Sure, it would make a great event venue, and it would work really well as an Eros Centre. The little red lanterns are already in there, aren't they? And the confessionals make good private booths." (This view is, however, completely ahistorical, as the confessionals were, on the contrary, set up precisely to lock the clergy away so that they

keep their hands (and more) off the female congregation kneeling before them.)

Let's leave these considerations of use aside, however, and ask ourselves instead how many of these large churches there actually are in Germany. Fifty, a hundred? Well then, let's get counting, and very carefully at that.

Overview 102: 'Major Churches' in Germany.

City	*Federal state*	*Church*	*Construction period*
Aachen	**NRW**	**Cathedral**	**800–1414**
Alfeld / Leine	Lower Saxony	St. Nicholas	15th century
Alsfeld	Hesse	St Walpurgis Church	13th–15th centuries
		Church of the Holy Trinity	14th century
Altenburg	Thuringia	St Bartholomew's Church	12th–14th century
Altötting	**Bavaria**	**Holy Chapel**	**877–1489**
		Collegiate Church	1500
Amberg	Bavaria	St Martin	1421–1483
Anklam	Mecklenburg-Western Pomerania	St Mary's Church	13th century
Annaberg-Buch.	**Saxony**	**St Anne's**	**1499–1525**
Ansbach	Bavaria	St. Gambertus Church	12th–14th century
		St. John's	15th century
Arnstadt	Thuringia	Church of Our Lady	1180–1330
Arolsen	Hesse	Town Church	1735–1787
Aschaffenburg	**Bavaria**	**Collegiate Church**	**12th and 13th centuries**
Augsburg	**Bavaria**	**Cathedral**	**9th–14th centuries**
		St Ulrich's Cathedral	c. 1500
		St. Anna	14th–17th centuries
Bad Doberan	Mecklenburg-Western Pomerania	Monastery church	1294–1368
Bad Gandersheim	Lower Saxony	Collegiate Church, Cathedral	11th century
Bad Hersfeld	Hesse	Town church	14th century
Bad Schussenried	Baden-Württemberg	Pilgrimage church	1728–1733
Bad Waldsee	Baden-Württemberg	Collegiate church	14th–17th centuries
Bamberg	**Bavaria**	**Cathedral**	**13th century**
(Bamberg)		St Michael's	12th–15th centuries
		Upper Parish Church	14th–15th centuries
Bardowick	Lower Saxony	Cathedral	12th–14th century
Bautzen	**Saxony**	**St Peter's Cathedral**	**1213–1497**
Berchtesgaden	Bavaria	Collegiate Church	11th–14th century
Berlin	**Berlin**	**Berlin Cathedral**	**1894–1905**
		German Cathedral	1701–1708
		French Cathedral	1701–1708
		St Hedwig's Catholic Church	1747–1773
		St Mary's Church	1270–1380
Bernburg	Saxony-Anhalt	St. Ägidien	18th century
		St. Mary	13th century
Bergisch Gladbach	NRW	Altenberg Cathedral	1255–1379
Bielefeld	NRW	Altstädter Church	14th century
		St. Jodokus	15th–16th centuries
Bochum	NRW	Provost Church	14th century

Bonn	**NRW**	**Minster**	**11th–13th century**
Brandenburg	Brandenburg	Cathedral	12th–13th century
		St Gotthardt	12th century
		St Katharine	1395–1401
Braunschweig	**Lower Saxony**	**Cathedral**	**1173–1195**
		St Michael's Church	12th–14th century
		St Magnus' Church	11th century
Bremen	Bremen	Cathedral	11th–16th centuries
Bruchsal	Baden-Württemberg	St Peter's Church	1742–1749
Cappenberg	North Rhine-Westphalia	Collegiate Church	12th and 14th centuries
Celle	Lower Saxony	Town Church	14th and 17th centuries
Chemnitz	Saxony	St. Jacobi	12th and 17th centuries
		Castle Church	12th century
Coburg	**Bavaria**	St Moritz Church	14th–16th century
		Vierzehnheiligen	**1743–1772**
Corvey	**NRW**	**Monastery church**	**873–885**
Cottbus	Brandenburg	Upper Church	15th century
Crailsheim	Bavaria	St John's Church	15th century
Cunewalde	Saxony	Village church	1780–1793
Cuxhaven	Lower Saxony	Farmers' Cathedral	13th and 16th centuries
Darmstadt	Hesse	Ludwigskirche	18th century
Dessau	Saxony-Anhalt	St George	1712–1750
		St Peter and Paul	1854–1857
Detmold	NRW	Church of the Redeemer	16th century
Dießen	Bavaria	Collegiate Church	1732–1739
Dinkelsbühl	**Bavaria**	**St George**	**1448–1499**
Donaueschingen	Baden-Württemberg	St. Johann	1727–1747
Donauwörth	Bavaria	Heilg-Kreuz-K.	1717–1722
Dortmund	North Rhine-Westphalia	St Reinoldi's Church	13th century
		St Mary's Church	12th and 14th centuries
		St Peter's Church	14th–15th centuries
Dresden	**Saxony**	**Cathedral**	**1738–1755**
		(Frauenkirche)	**1726–1743**
		Church of the Holy Cross	1764–1792
		Christ Church	1903–1905
Eberswalde	Brandenburg	St Mary Magdalene	14th and 19th centuries
Eichstätt	**Bavaria**	**Cathedral**	**11th–14th centuries**
		Capuchin Church	17th century
Eisenach	Thuringia	St George	14th–15th century
		St Nicholas' Church	12th century
Eisenberg	Thuringia	St Peter	1494
Eisenhüttenstadt	Brandenburg	Hall church	1400
Eisleben	Saxony-Anhalt	St Andrew	15th century
		St Peter and Paul	15th century
Emden	Lower Saxony	New Church	1643–1648
Erfurt	Thuringia	Cathedral	1154–1465
		St Severin's Church	1121 onwards
		Kaufmann Church	
		Regler Church	15th century
Erlangen	Bavaria	Huguenot Church	1686–1693
		Neustadt Church	1723–1737

		Trinity Church	1709–1721
Essen	**NRW**	**Münster**	**9th – 14th century**
		Abbey church	13th century
Esslingen am Neckar	Baden-Württemberg	St Dionys	13th–14th century
		St Paul	1233–1268
		Frauenkirche	1321–1516
Flensburg	Schleswig-Holstein	St. Nicholas	14th and 16th centuries
		St. Johannis	12th century
Frankfurt am Main	**Hesse**	**Cathedral**	**13th–15th century**
Frankfurt an der Oder	Brandenburg	Church of Peace	13th century
		St Gertraud	1876–1878
Freiberg	**Saxony**	**Cathedral**	**1484–1501**
		St Peter's Church	1404–1440
		St Nicholas' Church	14th–15th century
Freiburg im Breisgau	**Baden-Württemberg**	**Cathedral**	**13th–16th century**
Freising	Bavaria	Cathedral	12th–18th century
Freudenstadt	Baden-Württemberg	Town church	1601–1608
Fritzlar	Hesse	St Peter's Cathedral	12th–14th century
Fulda	Hesse	Cathedral	1704–1712
		St Michael's Church	822 ff.
Fürth	Bavaria	St Michael's Church	14th century
Füssen	**Bavaria**	**Wieskirche**	**1746–1754**
Garmisch-Partenkirchen	Bavaria	St Martin	1730–1733
		Old parish church	15th and 16th centuries
Gera	Thuringia	Salvator Church	1717–1720
		Trinity Church	14th century
Gifhorn	Lower Saxony	St. Nicolai	1734–1744
Görlitz	Saxony	St Peter and Paul	1423–1497
		St Nicholas' Church	1452–1520
Goslar	Lower Saxony	St James's Church	11th–16th century
Gotha	Thuringia	St Margaret's Church	15th–18th century
Göttingen	Lower Saxony	St John's Church	14th century
		St James' Church	14th century
Greifswald	**Mecklenburg-Western Pomerania**	**St Nicholas Cathedral**	**13th–14th centuries**
		St Mary's Church	14th century
		St James' Church	13th–14th centuries
Güstrow	**Mecklenburg-Western Pomerania**	**Cathedral**	**1226–1335**
Halberstadt	**Saxony-Anhalt**	**Cathedral**	**1239–1491**
		Church of Our Lady	12th century
Halle	**Saxony-Anhalt**	**Market Church**	**16th century**
		Cathedral	1280–1330
Hamburg	Hamburg	St Catherine's	14th–17th century
		St Michael's	1750–1762
		St. Jacobi	14th century
		St Peter's	1844–1849
Hameln	Lower Saxony	Münster	11th–14th century
Hamersleben	Saxony-Anhalt	Collegiate church	1111–1200
Hamm	North Rhine-Westphalia	St Paul's Church	13th century
		Reginenkirche	11th–14th century
		St Pankratius	14th century
Hanover	Lower Saxony	Market Church	14th century

Havelberg	**Saxony-Anhalt**	**St Mary's Cathedral**	**12th–14th centuries**
Hechingen	Baden-Württemberg	St. Jacobus	1779–1783
Heilbronn	Baden-Württemberg	St Kilian's Church	13th and 15th centuries
Heiligenstadt	Thuringia	St Martin	14th century
		St. Ägidien	14th and 15th centuries
Herford	NRW	St John's Church	14th century
Hildesheim	**Lower Saxony**	**St Michael's Church**	**11th century**
		Cathedral	**1054–1079**
Hof	Bavaria	St Lawrence's Church	13th century
Ingolstadt	Bavaria	Cathedral	15th–16th centuries
Jena	Thuringia	St Michael	
Jerichow	**Saxony-Anhalt**	**Monastery church**	**12th century**
Kaiserslautern	Rhineland-Palatinate	Collegiate Church	13th–14th century
Kamenz	Saxony	St Mary's	1400–1480
		Monastery church	1493–1499
Kiel	Schleswig-Holstein	St Nicholas' Church	14th–15th century
Kittlitz	Saxony	Village church	1749–1769
Klingenthal	Saxony	Parish church	18th century
Koblenz	Rhineland-Palatinate	Church of Our Lady	12th–15th centuries
Cologne	**North Rhine-Westphalia**	**Cathedral**	**1248–1880**
		St Martin's Church	12th century
		St. Gereon	11th–13th centuries
		St. Severin	11th–15th centuries
Constance	Baden-Württemberg	Münster	11th–17th centuries
Köthen	Saxony-Anhalt	St. Jakob	15th–16th century
Krefeld	North Rhine-Westphalia	St Dionysus	1754–1768
Kyritz	Brandenburg	St. Mary	15th and 18th centuries
Landsberg am Lech	Bavaria	Parish church	1458–1488
Landshut	**Bavaria**	**St Martin**	**14th–15th century**
Leipzig	Saxony	St Thomas's Church	13th–15th century
		St Nicholas' Church	12th century onwards
Lemgo	NRW	St. Nicholas	13th–14th centuries
Limburg	**Hesse**	**Cathedral**	**13th century**
Lippstadt	North Rhine-Westphalia	St Mary's Church	13th–16th centuries
Löbau	Saxony	St. Nicholas	14th century onwards
Lübben	Brandenburg	Paul Gerhardt Church	15th century
Lübeck	**Schleswig-Holstein**	**St Mary's Church**	**13th–14th century**
		St Peter's	13th–14th century
		Cathedral	12th–14th century
Ludwigsburg	Baden-Württemberg	Town Church	1718–1726
Ludwigslust	Mecklenburg-Western Pomerania	Town Church	1765–1770
Lüneburg	Lower Saxony	St John's Church	14th century
		St Nicholas' Church	15th century
Magdeburg	**Saxony-Anhalt**	**Cathedral**	**1209–1520**
		St Peter's Church	14th–15th century
Mainz	**Rhineland-Palatinate**	**Cathedral**	**11th–13th century**
		St Stephen's	14th century
Mannheim	Baden-Württemberg	Jesuit Church	1733–1760
Marburg am Main	**Hesse**	**St. Elisabeth**	**1235–1283**
Meissen	**Saxony**	**Cathedral**	**13th–15th century**
Memmingen	Bavaria	St Martin	15th–16th century

Merseburg	**Saxony-Anhalt**	**Cathedral**	**10th–17th century**
Minden	**North Rhine-Westphalia**	**Cathedral**	**11th–13th century**
		St Mary's Church	11th century
Mönchengladbach	NRW	Parish church	1469–1533
		Minster	11th and 13th centuries
Mühlhausen	Thuringia	Divi Blasil	13th–14th centuries
		St Mary's	14th–16th century
Mühlheim an der Rhein	NRW	St Peter's Church	13th–14th century
Munich	**Bavaria**	**Frauenkirche**	**1468–1488**
		Theatinerkirche	17th–18th centuries
		Asam Church	1733–1746
Münden	Lower Saxony	St. Blasil	13th–16th century
Münster	**North Rhine-Westphalia**	**St Lambert's Church**	**14th–15th century**
		Cathedral	**1225–1265**
Naumburg	**Saxony-Anhalt**	**Cathedral**	**13th–19th century**
		St. Wenceslas	1218–1523
Neuruppin	Brandenburg	Monastery church	13th century
Neuss	**North Rhine-Westphalia**	**Quirinus Cathedral**	**13th century**
Nordhausen	Thuringia	Cathedral of the Holy Cross	14th–16th centuries
		St Basil	15th century
Nördlingen	Bavaria	St George	1427–1501
Nuremberg	**Bavaria**	**St. Lorenz**	**13th–15th century**
		St. Sebald	**1225–1273**
Oberammergau	Bavaria	Parish church	1736–1742
Osnabrück	Lower Saxony	Cathedral	13th century
		St Mary's Church	13th–15th centuries
		St John's Church	13th century
Paderborn	**NRW**	**Cathedral**	**11th–13th century**
		St Ulrich	12th century
Pasewalk	Mecklenburg-Western Pomerania	St Mary	14th century
Passau	**Bavaria**	**Cathedral**	**1407–1530**
		St Michael	17th century
Pirna	Saxony	St Mary	1466–1479
Plauen	Saxony	St. John's	10th–13th century
		Luther Church	1693–1722
Potsdam	Brandenburg	St Nicholas' Church	1830–1837
		Peace Church	1845–1854
Prenzlau	Brandenburg	St Mary's Church	13th–14th century
Quedlinburg	**Saxony-Anhalt**	**Collegiate Church**	**12th century**
		St Wiperti	12th–13th centuries
		St. Blasil	1713–1715
		St. Nicholas	14th century
		St Benedict	14th–15th centuries
Ratzeburg	Schleswig-Holstein	Cathedral	12th–13th century
Ravensburg	Baden-Württemberg	Town church	14th century
		Church of Our Lady	14th century
Recklinghausen	NRW	St Peter	14th and 16th centuries
Regensburg	**Bavaria**	**Cathedral**	**13th–16th centuries**
		Dominican Church	13th century
		St Emmeram	8th–18th centuries
Reutlingen	Baden-Württemberg	St Mary's Church	1247–1343

Rostock	Mecklenburg-Western Pomerania	St Mary's Church	14th–16th century
Rothenburg OT	Bavaria	St. Jakob	1373–1436
Rottweil	Baden-Württemberg	Heiligkreuz-M.	13th–15th century
Saalfeld	Thuringia	St. Johannis	14th–15th century
Saarbrücken	Saarland	Ludwigskirche	1762–1785
Salzwedel	Saxony-Anhalt	St Katharine's	15th–16th century
		St Mary's	12th and 15th cent
Sangerhausen	Saxony-Anhalt	St. James	14th–15th centu-rie
Schleswig	Schleswig-Holstein	Cathedral	12th–15th century
Schmalkalden	Thuringia	St George	1437–1509
Schneeberg	Saxony	St. Wolfgang	1515–1540
Schwäbisch Gmünd	Baden-Württemberg	Münster	14th–15th centu-rie
Schwäbisch Hall	Baden-Württemberg	St Michael	15th century
Schwerin	Mecklenburg-W.P.nia	Cathedral	14th–15th century
Siegen	North Rhine-Westphalia	St Nicholas' Church	13th and 17th cent
Soest	NRW	St Patrokli Cathedral	12th century
		Hohne Church	13th century
		Wiesenkirche	14th–15th cent.
Speyer	**Rhineland-Palatinate**	**Cathedral**	**11th–12th century**
Stade	Lower Saxony	Wilhadikirche	13th–14th century
		St. Cosmae	12th and 17th cen
Steingaden	Bavaria	Collegiate church	1147 onwards
Steinhausen	Baden-Württemberg	Village church	1728–1733
Stendal	Saxony-Anhalt	St Mary's	15th century
Stolberg	Thuringia	St. Martini Church	15th century
Stralsund	Mecklenburg-W.P.	St Nicholas' Church	13th–14th century
		St Mary's Church	14th–15th century
		St James' Church	14th–15th century
Straubing	Bavaria	St. Jakob	15th–16th century
		St Peter's Church	12th century
Stuttgart	Baden-Württemberg	Collegiate Church	12th–15th century
Suhl	Thuringia	St Mary's	17th century
Tangermünde	Saxony-Anhalt	St. Stephen	14th and 16th cent
Torgau	Saxony	Town church	14th–15th cent
Trier	Rhineland-Palatinate	St Paulinus	1732–1754
		Cathedral	**11th–12th cent**
Tübingen	Baden-Württemberg	Collegiate Church	15th century
Überlingen	Baden-Württemberg	Cathedral	14th–16th cent
Ulm	**Baden-Württemberg**	**Münster**	**14th–16th cent**
Verden / Aller	Lower Saxony	Cathedral	1270–1490
Villingen-Schwenningen	Baden-Württemberg	Minster	12th and 13th cent
Waren	Mecklenburg-W.P.	St. George	13th century
Wasserburg am Inn	Bavaria	St Michael	15th century
Weimar	Thuringia	Herder Church	15th century
Weingarten	Baden-Württemberg	Minster	1715–1724
Werningerode	Saxony-Anhalt	St Sylvester	13th and 15th cent
Wetzlar	Hesse	Cathedral	12th–16th cent
Wismar	Mecklenburg-W.P.	St Nicholas' Church	14th–15th century
Wittenberg	Saxony-Anhalt	St Mary's	13th–15th century
		Castle Church	15th and 19th cent
Wolfenbüttel	Lower Saxony	Main Church	1607–1623

Wörlitz	Saxony-Anhalt	St Peter's	12th and 19th centuries
Worms	**Rhineland-Palatinate**	**Cathedral**	**11th–12th centuries**
		Church of the Holy Trinity	1709–1725
Wurzen	Saxony	Cathedral	12th century
Würzburg	Bavaria	Cathedral	11th–13th centuries
		St Mary's Chapel	1377–1479
		Neumünster Church	11th–13th centuries
Xanten	NRW	Cathedral	1190–1516
Zeitz	Saxony-Anhalt	Castle Church	10th century onwards
Zittau	Saxony	St John's Church	19th century
Zwickau	Saxony	St Mary's Cathedral	15th century
Zwiefalten	Baden-Württemberg	Cathedral	1744–1765

Based on this long list [286], which makes no claim to be exhaustive (and is limited to the established Church), there are thus 308 ancient major churches, 55 of which are 'unique' [287], and of these, around 20 could be classified as 'World Heritage Sites'. Eight of these churches have already been recognised by UNESCO as 'World Heritage Sites': Aachen Cathedral (1978), Speyer Cathedral (1982), the Wieskirche near Füssen (1983), the Cathedral and St Michael's Church in Hildesheim (1985), Trier Cathedral (1986), the Collegiate Church in Quedlinburg (1994) and Cologne Cathedral (1996). 112 of these major churches are located in the eastern German states, 196 in the western German states – 48 of these in the Free State of Bavaria, which itself already boasts two of these major churches (Theatiner Church and Salvatorkirche in Munich).

What churches, buildings, cultural monuments our ancestors built! For decades, preserved over centuries, in grandeur and... Stop: we did want to keep a cool head and have the calculator ready on the table: what are they worth?

So first, let's keep a cool head, or perhaps we should leave the church in the village and ask: what has been done with churches over the last few centuries, and how are some churches used today?

- It wasn't just Hamburg's St Mary's Cathedral (1803/1804) that was used as *a quarry*; Churin Monastery near Eberswalde also served this purpose in the 17th century.
- The churches of St Lorenz in Salzwedel (from 1692 to 1859) and St Elisabeth's in Tangermünde (in the 19th century), which were then restored in 1891 and returned to the Catholic Church.
- As *museums*: St Nicholas' Church in Berlin, the Spitalkirche in Biberach an der Riß, the Barfüßerkirche in Erfurt, St. Mang in Füssen, the Augustinerkirche in Munich, the Peterskirche in Constance...

[286] Compiled from: Baedeker's Travel Guide to Germany, 1992.
[287] Monastery churches, such as those in Ottobrunn or Ettal, and notable village churches, such as the one in Seiffen, are not included here.

- The Church of St. Nikolai in Saalfeld was converted for *residential purposes* (in the 19th century).
- Today, the Schlosskirche in Eisenberg, St. Mary's in Neubrandenburg, the Salvatorkirche in Passau and the Dreikönigskirche in Dresden. In Hamburg, consideration is currently being given to whether the Gnadenkirche might be used as a rehearsal space for the State Philharmonic Orchestra.
- As *a water tower* (since 1888): the Sixtikirche in Merseburg,
- as a university *book depository*: St Stephen's Church in Halle.
- as *an advertising column*: the Kaiser Wilhelm Memorial Church in Berlin, on which 1998, overdimensional adverzising is taken.
- The Nikolaikirche (the oldest church in Görlitz) was not no longer used for services, but as a 'warehouse' for the salvaged inventory from destroyed or dilapidated churches in Upper Lusatia.

Seen from the outside, these buildings are still intact churches; it is only inside that things look different.

These examples make it clear that even church bodies can no longer ignore a fact: there are too many churches. However, the fact that there is still work to be done in raising awareness is demonstrated by the example of the pastors in Norderstedt (near Hamburg), who in November 1999 draped the church towers of their eight (!) churches in cloth to draw attention to their current financial plight.

The campaign met with only limited approval, and it was astonishing that none of the pastors had considered that little Norderstedt might perhaps be somewhat 'over-churchified' and that parishes could be merged and churches closed. For historically speaking, that too was 'possible'.

- In Hamburg, St Mary Magdalene's (where the Stock Exchange stands today) and St John's (where the Town Hall stands today) were simply *demolished, and* in 1820 the sacred furnishings, the altars – as works of art for art collectors – were *sold* to England.

These are all isolated cases, but what about all the churches taken together? Of course, that would be a revolution, comparable to 1918 in Germany, when the German princes were forced to abdicate – in the unity of 'throne and altar', only the throne was affected – and most of their castles passed into state ownership. Yet, just as today only historians remember the secularisation of 1803, and it makes us look on with critical wonder or admiration when a large castle in Germany is still privately owned by a noble family, why should it be any different for the churches? Just as the German princes were compensated and we dutifully pay an entrance fee if we wish to visit one of these castles,

the bishops and regional churches could also be compensated, and everything would be managed by a state-run 'Foundation for Formerly Ecclesiastical Cultural Assets'.

So let's get our calculators out. The value of the churches is incalculable! No, please not like that. That sounds as though these masterpieces of human genius and craftsmanship have no value or price. A question of money: so let's look for comparisons. The reconstruction of the Frauenkirche in Dresden will probably cost 'all in all' 450 million DM, on a similar scale to, for example, the new Federal Chancellery in Berlin, whose construction costs were put at 465 million at the topping-out ceremony in October 1999. Surely these great creations of the human spirit and its craftsmanship should be worth that much to us.

To us? To the state, to society, to culture, to the people of Germany? To all citizens, for this concerns cultural assets and our cultural heritage, regardless of whether we belong to a religious denomination or not. The old churches are particularly at stake here. Not the new buildings dating from the mid-19th century (Neo-Gothic, Neo-Romanesque) and the post-war 'concrete sheds'.

There are around 33,200 churches in Germany. Of these, 20 are brilliant, 33 are unique and 255 are remarkable large churches. Of the remaining 32,900 or so churches, around 4,000 were built after the war, a further 22,000 are probably still in fairly good condition, and 7,000 are likely to be given away for free, as restoration will be very expensive. Accordingly, arbitrary average prices should be applied.

Overview 103: Church buildings in Germany and their 'valuation'

20 x 500 million	DM	10,000,000,000
33 x 300 million	DM	9,900,000,000
255 x 100 million	DM	25,500,000,000
4,000 x 2 million	DM	8,000,000,000
22,000 x 1.5 million	DM	33,000,000,000
7,000 x 0	DM	0
Total	*DM*	*86,400,000,000*

Of course, these 'prices' could also be put at a higher figure. But that is a pointless discussion and an endless debate as to whether Cologne Cathedral might not also be valued at a billion or more.

Our rough estimates do at least fall within the range of plausible lower limits, with individual recent reports confirming the classification as 'low': in May 2000, Archbishop Averkamp of Hamburg consecrated a new Catholic

new church with 400 seats (20 rows of 20 seats each – that is quite small). Construction costs: 'A good 3 million marks.'[288]

Rectories and parish halls

If the churches are either taken over by the public sector as monuments and museums, following financial compensation, or sold privately, there will no longer be any need for parsonages, as their status as special official residences would then no longer be appropriate and the priests could live in rented accommodation.

In Germany, parsonages are usually built with two storeys, as they have hitherto also housed parts of the administration. An average price of five hundred thousand Deutschmarks, excluding land, should be regarded as the minimum. For 1981, 17,186 parsonages are recorded for the EKD. For the Catholic Church, the figure will be at least as many as there are parishes, 13,329, so that a total of 30,515 parsonages can be assumed. This results in an asset value of: 15 billion (DM 15,257,500,000).

A similar figure can be assumed for parish halls. With an estimated 12,557 parish halls and centres in the Protestant Church and an estimated 9,730 for the Catholic Church, this results in an asset value of: 22,287 x 500,000 = 11 billion marks (DM 11,143,500,000).

Here, too, these are only the lowest estimates. For example, the parish hall of St. Petri Church in Hamburg is a seven-storey office building right in the middle of the main shopping street, let to a radio broadcaster and companies (value approx. 20 million), and the parish hall of St. Nikolai is an upper-class villa in a prime location (value approx. 5 million). In the Hamburg-Neuallermöhe district, a new ecumenical parish hall is being built (in 2000) (a single-storey bungalow with a floor area of 500 square metres) – cost: three million marks.[289]

Other church buildings

Assuming a plausible average price for all other church buildings also runs into the problem that this group encompasses day-care centres, hospitals, nursing homes, etc. In total, this amounts to approximately 23,000 facilities[290] under the auspices of the established church.

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[288] *Hamburger Abendblatt*, 29 May 2000, p. 11.

[289] *Hamburger Abendblatt*, special supplement of 4 December 2000: 'The Churches. December 2000 to March 2001', p. 6).

[290] Estimation and conversion of Overview 50, on p. 297. These figures should be regarded as minimum figures, as the ratio between churches and other buildings is 1:1

Naturally, such a compilation is open to any (justified) criticism. However, due to the lack of available data, there is currently no other way than to establish plausible estimates at the lower end of the scale.

Table 104: Church institutions in Germany (extrapolation)

Schools	150	x 1 million	150,000,000
Nurseries	15,610	x 0.5 million	7,805,000,000
Care homes	2,390	x 1 million	2,390,000,000
Hospitals	400	x 10 million	4,000,000,000
Leisure and recreation centres	640	x 1 million	640,000,000
Family education centres	100	x 0.5 million	50,000,000
Facilities for people with disabilities	1,380	x 0.5 million	690,000,000
Libraries	1,870	x 0.2 million	374,000,000
Other care homes	450	x 1 million	450,000,000
Total	*22,990*	*approx.*	*16,550,000,000*

In total, the EKD and the Roman Catholic Church in Germany now hold property assets amounting to around 129 billion.

Overview 105: Assets of church buildings

Churches		86,400,000,000
Vicarages		15,257,500,000
Parish halls		11,143,500,000
Other church facilities		16,550,000,000
Total	*DM*	*129,351,000,000*

This summary completely overlooks the large buildings owned by the Church, such as the historic bishoprics and residences, and the 'administrative buildings' of the 24 dioceses and 27 regional churches.

In Berlin, a former mission building has just been converted into the 'Protestant Centre Berlin-Brandenburg' in order to bring all the previously scattered offices under one roof. Cost: 67 million marks.[291] In 1993, the EKD purchased the former headquarters of the East German CDU (in Berlin-Mitte on Gendarmenmarkt) for 48 million marks as a prestigious headquarters for the 'Representative of the EKD Council to the Federal Government'.[292]

There is therefore no reason not to round up the value of church buildings to 130 billion marks.

In Hamburg, for example, in addition to 80 churches and 80 parish halls, there are 290 other buildings owned by the church, a ratio of 10:18.

[291] *Berliner Morgenpost*, 7 February 2000: (Church moves closer together).

[292] *MIZ* – Report No. 1881, cited in the Frankfurter Allgemeine Zeitung of 8 July 1993.

The extent to which properties will still be missing from this overview can be illustrated, to some extent, by five examples:

1.) The EKD maintains a list of 75,062 buildings owned by the established church. In addition to the churches, chapels, parish halls and vicarages already mentioned, a further 21,695 buildings are listed: 6,650 other residential buildings, 1,320 flats owned by the church, 808 administrative buildings, 5,156 child-care centres, 143 general education schools and 7,618 other buildings.

Who is the owner, who is the occupier, and who is the sponsor/operator of a facility? In a two-dimensional representation:

Owner : ⇒ Operator: ⇓	1. Estalished Church	2. Charitable organisa-tion	3. Local authority
1. Established Church	**11**	21	31
2. Charitable organisation	12	**22**	32
3. Local authority	13	23	**33**

Although 'clear-cut' situations (11, 22, 33) do occur, hybrid forms are more common, such as where the land belongs to the local authority, the building on it to the established church, and the institution is run by one of the two welfare organisations, etc.

2.) The North German parish, whose budget was presented, owns three small apartment blocks, representing assets of around 2 million. How many properties of this kind do the remaining 31,999 parishes own? If we take this figure as a basis, we are still short of a further DM 64 billion in property assets.

3.) The *Cartellverband der katholischen deutschen Studentenverbindungen* (CV) owns 127 'fraternity houses' – typically large, multi-storey mansions with residential facilities. Assuming an average value of DM 3 million for each building, a further 380 million is missing.

4.) The Protestant Church runs 17 academies with 23 facilities, and there are 10 academies in the Catholic sector. What scale are we talking about here (particularly in the western federal states)?

The *Catholic Academy Berlin*, inaugurated in 1999, has, among other things, several seminar rooms, an air-conditioned auditorium for 350 people, a restaurant and a 40-room hotel. The *Catholic Academy of Freiburg* has several seminar rooms and lecture theatres (seating 20 to 200 people), two dining rooms, a café, and 43 guest rooms.

The *Protestant Academy of Northern Germany* owns a spacious, upper-class townhouse in a prime central location in Hamburg and a complex in Bad Segeberg. Property values range from 3 to 20 million.

5.) Conference centres. The Archdiocese of Cologne alone lists 16 conference centres (five of which we will encounter again as family holiday resorts – in the chapter on *tourism*). The archdiocese's two largest conference centres are the *Maternushaus* in Cologne (in the city centre, 14 conference rooms for up to 500 people, 63 single or double rooms, a restaurant for 500 people, 200 parking spaces in the underground car park, bowling alleys, ...) and the *Kardinal-Schulte-Haus* in Bensberg (five storeys, 80,000 sq m of grounds, 21 conference rooms for up to 500 people, accommodation for 285 people, a restaurant, pubs, a sauna, a bowling alley, ...). With an estimated value of 40 million each, neither facility is certainly undervalued.

In this respect, the churches are akin to private property owners. Many of today's 'millionaires' are, for the time being, only so on paper – in terms of the land registry or the market value of their property. However, this does not necessarily mean that such 'millionaires' have sufficient cash on hand, which is certainly the case with the churches (as a foreshadowing of the section *on banks*).

11. Construction firms / Housing associations

Leasehold rights / Housing associations / Catholic housing associations / Protestant housing associations / The churches and their housing associations

Returning land once it has been acquired not only contradicts the traditional mindset of the established church but is in principle prohibited by canon law (CIC, Can. 1291–1298), as it would constitute a deterioration of the financial situation. The clever solution is known as a 'leasehold', i.e. one retains ownership of the land and receives rent for the right to build on it.

11.1. Leasehold rights

Between 1947 and 1968, the Catholic Housing Service in Cologne made over 50 million square metres of church land available on long-term leases for housing purposes. At what prices? 'The Church remains silent on this matter.'[293]

The description 'made available' hits the nail on the head, as the long-term leasehold rent generates considerably higher income than the temptation of the (short-term) proceeds from a sale.

In the post-war period, when the American occupying power in Bavaria in particular demanded land reform for housing purposes – which effectively meant expropriation – the Catholic Church was able to prevent the occupying power from seizing its land by having its housing organisations 'take over' the land under leasehold rights.[294]

Currently, the right of hereditary leasehold can be used to resolve a different dilemma, for: "In many cases, the Church is prevented from selling land by the bequests of donors, but also by regulations under foundation and canon law. Thus, the right of hereditary building lease often constitutes the only way to utilise the land for construction purposes and put it to the desired social use."[295]

Under leasehold rights, therefore, ownership of the land remains with the 'provider' and the 'leaseholder' pays only a social 'usage fee'. A wise solution, for "the church foundation receives a regular income from the ground rent, with which it can fulfil pastoral, parish and charitable duties".[296] And this rent

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[293] Martens, **How Rich Is the Church?**, p. 116.

[294] See in detail: Mona Langen: *Protestant Housing Construction in Bavaria. Internal Church Discussion and Implementation up to 1957*. Neustadt: Degener, 1997, pp. 44–55.

[295] http://www.erzbistum-bamberg.de/liegenschaftsabteilung/info/warum.htm

[296] http://www.erzbistum-bamberg.de/liegenschaftsabteilung/info/warum.htm

is paid without any time limit, as the land remains in the possession of the church or church foundation and is not sold for a short-term higher income. In practice, this works as follows:

Calculation example for a church leasehold:		.
Land (400 sq m / 300 DM/sq m, without development)	120,000 On purchase	
(mortgage at 6.5% with no capital repayment)	per year	7,800
For leasehold (ground rent 4%)	per year	4,800
Savings through leasehold	*per year*	*3,000*

Based on the 50 million square metres mentioned above, which were made available by the member firms of the Catholic Housing Service, it follows that, at current prices (DM 300/sq m), they represent an asset value of DM 15 billion, and (at a 4% ground rent) generate annual income of 600 million marks for the Church and its foundations.

Given that the land is not actually permitted to be used for economic purposes (sale is prohibited by bequest), this (an economic use not foreseen by the founder = wasteland) is a legally sound manoeuvre.

If you are interested in such a plot of land, write to the property office of your diocese or look online. For example, the Archdiocese of Freiburg currently has the following on offer as of June 2000:[297] 157 plots for residential development (90,167 sq m) and 11 commercial plots (31,238 sq m). This leasehold area of 121,405 sq m has a sale value of
36 million (DM 36,421,500) or, at a ground rent of 4 per cent, generates an annual income of 1.5 million (DM 1,456,860) for the Archdiocese or the parishes. However, the Archdiocese also accepts losses, or, to put it another way, offers special 'incentives': a 20 per cent reduction is granted for each minor child, meaning that with five children, the plot is effectively 'free of charge'.

However, the churches did not build buildings merely 'for themselves'. In the face of the war damage and refugee flows of the Second World War, the churches not only helped people with spiritual comfort but also lent a hand actively – 'Building houses means building Döme' – as developers and owners of their housing estates.

[297] http://www.kath.de/bistum/freiburg/liegenschaften/grundstücke

11.2. Denominational housing associations

As the construction of houses and flats cannot be organised as a charitable endeavour, denominational housing associations consistently take the form of co-operatives or limited liability companies.

They are considered the second-largest developer in Germany (after the public sector).

As these are church-run organisations, they are/were not liable for tax. When the *law on non-profit status in the housing sector* was repealed in 1990, political support had provided a way out, and the housing cooperatives were able to opt for the new 'rental cooperative', which they did: they remain exempt from corporation tax, capital gains tax and business rates provided they 'restrict' themselves to building and managing flats for their members.[298] All taxable activities (property development and management operations) were spun off as subsidiaries.[299]

11.2.1. Catholic Housing Associations

The Catholic organisations see themselves as continuing the tradition of Leo XIII's from 1891. However: 'In practice, assistance is primarily provided to families of the Catholic faith, even if this is rarely stated so explicitly.'[300]

The oldest Catholic housing cooperative was founded as early as 1899 in Freiburg: the *Bauverein Breisgau eGmbH*. The founding statutes state: "The purpose of the cooperative is to construct healthy housing, primarily for the working class, small tradespeople and lower-ranking civil servants, as cheaply and solidly as possible, or to acquire buildings, and to let them to members without usury."[301]

However, most of the Catholic housing associations were founded in 1948 and 1949. The *Katholischer Siedlungsdienst e.V.* (KSD) in Cologne is the umbrella organisation for 51 Catholic-run housing and housing development companies, i.e. it represents the association's interests at the political level. It thus announced "fierce resistance" to plans to "scale back the Home Ownership Allowance Act in favour of higher housing benefit payments", which

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[298] Loss of tax revenue resulting from the tax exemption granted to letting cooperatives and associations and to non-profit housing associations: 10 million. See *Bundestag Paper 14/1500* (17th Subsidy Report), p. 138.

[299] See *Bauen und Siedeln*. Journal of Housing and Urban Development published by the Catholic Housing Service e.V., Cologne, No. 1, March 1999, p. 18.

[300] Martens, *How Rich Is the Church?*, p. 115.

[301] *Bauen und Siedeln*, No. 1, March 1999, p. 6.

were proposed by politicians from the left. [302] Accordingly, as an umbrella organisation, it is invited to hearings of Bundestag committees and, for example, in the Bundestag's Finance Committee, calls for greater consideration of child allowances and a graduated scale for the 'Baukindergeld' (child home-buying grant) in the tax regulations governing the promotion of home ownership.[303] It acts, so to speak, as a political support for the companies operating in the market.

The cost to the state of this 'child component' can be quantified.

Overview 106: Reduced tax revenue due to 'child allowances' (2000)

Section 34f of the Income Tax Act (EStG): Child component under Section 7b of the Income Tax Act (tax relief of up to 600 DM for the second and each subsequent child); from 1987 under Section 10e of the Income Tax Act (tax relief of up to 600 DM for each child); Increased to DM 750 from 1990, to DM 1,000 from 1991; from 1 October 1991 (start of investment) introduction of carry-forward and carry-back options; from 1992 restriction to the amount of the eligible acquisition or production costs; furthermore, income limit (cf. Section 10e EStG): DM 1,180 million
Section 9(5) EigZulG: Child allowance – in connection with the basic allowance: DM 1,500 per child, – in connection with the purchase of cooperative shares: DM 500 per child: DM 4,308 million
Section 9(2) EigZulG: Basic subsidy: – Allowance for owner-occupied property over 8 years [...] – Allowance for the acquisition of shares in a housing cooperative of up to DM 2,400 per year: DM 9,142 million

Source: German Bundestag, Printed Paper 14/1500 (17th Subsidy Report), pages 182, 183, 184.

As it is not possible to break down the figures by applicant, this figure of 14.6 billion is intended merely to indicate the scale of support for which the denominational housing associations also lobbied politically on behalf of their large families. A look at the construction output also provides an indication of the volume of tax concessions and grants. Key figures for the KSD housing and housing association companies for the period from 1948 to 1998:

Overview 107: Catholic Housing Service: Housing construction output 1948 to 1998.

Owner-occupied houses, flats and other forms of home ownership	252,000	70%
Existing flats owned by the companies	109,500	30%
Housing construction total	*361,500*	
Construction and management services: 1,627 properties / Construction projects Construction volume: 7.03 billion		

Source: Bauen und Siedeln, No. 2, June 1999, p. 4.

[302] See *Tag des Herrn*, Vol. 48, No. 20/98: Diocese of Erfurt, Housing Service.

[303] See German Bundestag, WIB, Issue 17 of 5 October 1995: Finance: Providing greater support for families with children. Hearing before the Bundestag's Finance Committee.

The distribution of the housing stock across the individual housing associations varies greatly, ranging from 55 existing flats in the smallest cooperative to 23,000 existing flats in the largest housing association. Two-thirds of the services and the housing stock are managed by the diocesan housing associations.

The largest of these organisations is the **Aachener (Gemeinnützige) Siedlungs- und Wohnungsgesellschaft mbH**: Founded in Aachen on 4 January 1949 by the Archdioceses of Cologne and Paderborn, and the Dioceses of Aachen and Münster, the company's headquarters were moved to Cologne in 1950, as the Archdiocese of Cologne is the main shareholder. The following hold shares in the share capital:

Overview 108: Shareholders of Aachener Siedlungs- und Wohnungsgesellschaft mbH

Archbishop's See, Cologne	35.0 per cent
Archbishop's See, Paderborn Archbishop's See, Münster	22.0 per cent 15.8 per cent
Diocese of Essen	13.7 per cent
Bishop's See, Aachen	13.0 per cent
16 other shareholders	0.5 per cent

Source: Martens, How Rich Is the Church, p. 116.

Since (with one exception) it is not the dioceses that are the shareholders, but the 'episcopal sees' (86 per cent of the share capital), this gGmbH is owned by the bishops, and the capital contributions, income and reserves do not appear in any diocesan budget, as the 'episcopal sees' manage their budgets exclusively and without 'public scrutiny'.

The state-granted non-profit status offers the advantage of tax relief and public funding, but has the disadvantage that a maximum of 4 per cent in dividends may be paid out to the shareholders. It was therefore an obvious step to invest the accumulated capital, for example, in property funds.

A wholly-owned subsidiary of this housing association is the *Aachen Grundfonds No. 1* (see chapter *on Banks / Investment Funds*), with fund assets of DM 2.45 billion and also owned by the bishoprics.

Aachener Siedlungs- und Wohnungsgesellschaft mbH built around 75,000 flats and houses between 1949 and 1999. 23,000 flats were still owned by the company in 1999; the remainder (70%) had been sold. (At today's prices, this represents a turnover of DM 12 billion.)

The letting offices are located in Münster, Paderborn, Essen, Cologne and Trier – the bishoprics of the shareholders – and thus cover the federal states

of North Rhine-Westphalia, northern Rhineland-Palatinate and Saarland. (Coincidentally, these are precisely two of the federal states that make the highest per capita state payments to the churches.) As a distinction has been made since 1990 between tax-privileged (charitable) and purely commercial entities, there are affiliated companies, grouped together as *the Aachen companies*:

Overview 109: 'Aachen-based companies' / Incorporation / Share capital

Company	*(Incorporation)*	*Share capital (1999)*
Aachener Siedlungs- und Wohnungsg. mbH	(1949)	72 million
Aachen General Construction Management Ltd	(1970)	10 million
Bauhütte Dresden GmbH, Dresden	(1990)	6.3 million
Deutsche Wohnungsges. mbH, Cologne	(1950)	6 million
Dewog – Treuhand Verwaltungsgesellschaft mbH,	(1971)	2.2 million
Blivers Baugesellschaft mbH, Cologne	(1948)	5 million
Total share capital		*101.5 million*

Source: http://www.aachener-grund.de/gesellschaften.htm.

Based on the company's current offers of owner-occupied flats, and assuming an average flat size of 62 sq m[304], the *asset value* of the 23,000 owner-occupied flats alone amounts to around DM 5.2 billion.

Siedlungswerk gemeinnützige Gesellschaft für Wohnungs- und Städtebau mbH, Stuttgart, simply known as 'Siedlungswerk', is the second-largest single company. Shareholders:

Overview 110: Shareholders of Siedlungswerk, Stuttgart

- Diocese of Rottenburg-Stuttgart, among others	60%
- Landesbank Baden-Württemberg (Südwest LB), Stuttgart	20%
- Genossenschaftliche Zentralbank AG (GZB), Frankfurt/Stuttgart	20%

Source: http://www.siedlimgswerk.de/fakten/unternehmensdaten.html.

Of the 23,209 flats built, 4,693 are still owned by the gGmbH; 80 per cent of the properties have been sold, generating (at current market prices) a total of DM 2.5 billion for the diocese's coffers.

The activities of this diocesan housing association in external construction and management are also documented in its Joint venture (50:50) with LBS

[304] http://www.aachener-swg.de : (flats between 47 and 92 sq m.) 62 sq m flat in Bonn-Friesdorf, Winkelweg 72, on a leasehold plot belonging to the parish of St Servatius. "The flats are being built using conventional construction methods; interior painting and flooring in the living room and bedroom are to be carried out by the owner. Purchase price DM 227,500."

Landesbausparkasse Württemberg: STEG – Stadtentwicklung Südwest gemeinnützige GmbH – "the major service provider for towns and local authorities". Head office in Stuttgart, with a branch in Dresden and offices in Heilbronn, Rottweil, Berlin, Erfurt, Glauchau, Görlitz and Leipzig.

Before we get bogged down in the details of other companies, let us summarise the key figures for the Katholische Siedlungswerke.

The 109,500 rented flats in the Siedlungswerke's own portfolio generate an estimated annual total of:

- Rental income [305]	DM	971,046,000
- Property portfolio [306]	DM	24,637,500,000
- Share capital/reserves [307]	DM	4,600,000,000

Whilst the bishops in the Rhine and Ruhr regions kept to themselves and set up their own fund for financing, and the Württemberg bishop sought to join forces with major banks and building societies, some organisations took and continue to take a different path: they seek alliances with politicians.

The Chairman of the Supervisory Board of the Stephanswerk Osnabrück is Heinrich Franke, former President of the Federal Employment Agency; the Mayor of the city also sits on the Supervisory Board of the Catholic Housing Association of Regensburg; the Executive Committee of the Baden Housing Association includes a former Minister of State alongside a member of the state parliament; etc.

11.2.2. Protestant settlement organisations

But serving state ministers can also be enlisted as political supporters: the President of the Protestant Housing Association in Germany e.V. (ESW) in Nuremberg has been Steffen Heitmann, the (then serving, now retired) Minister of State for Justice in Saxony, since April 1998.

Protestant housing initiatives date back to Friedrich von Bodelschwingh, who founded the 'Verein Arbeiterheim' in April 1885 as a building society with a building savings bank. His motto was: 'Money at reasonable interest rates and the calculation of mutual benefits with others

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[305] 109,500 × 739 (average) rent per month (equivalent to a price of DM 10.90 per square metre) = DM 80,920,500 per month × 12 = DM 971,046,000. (Average rent: Federal Statistical Office: *Data Report 1999*, Bonn: Federal Agency for Civic Education, p. 139.

[306] 109,500 flats x (assuming an average size of 62 sq m) DM 225,000 market price = DM 24,637,500,000

[307] See *Bauen und Siedeln*, No. 2, June 1999, p. 4, and figures in individual balance sheets: Catholic Housing Association Munich (142.1 million), Housing Association Stuttgart (347.1 million).

"One like-minded person is worth more than a thousand speeches against social democracy."[308] In this sense, the *Inner Mission* was thus the 'theological flank' of the political Socialist Laws against social democracy in the Germany of Reich Chancellor Bismarck.

Before the founding of the first Protestant settlement association after the Second World War, there was the (recurring Protestant) debate as to whether this activity was compatible with the church's actual duties and whether building housing estates constituted activities alien to the church.

Two positions stood in irreconcilable opposition to one another. On the one hand, Otto Dibelius, who called for a church of action, a visible and militant church: "This generation must be in a position to bring all areas of life before the forum of the Gospel." On the other side was the theologian Karl Barth, who lamented a "flight into visibility": "The Church cannot squint: with one eye on God, the other on some human necessity." The Church's sole mission, he argued, was proclamation.[309]

A particularly burdensome legacy was the memory of the bankruptcy scandal involving DEVAHEIM (*Deutsche Evangelische Heimstättengesellschaft mbH*), founded in 1926. Supported by the Inner Mission and promoted by the regional churches, it was regarded as a sound and trustworthy enterprise, which, however, went bankrupt in 1931 due to a lack of oversight, management errors and fraud, as well as undercapitalisation, leaving some 14,000 savers defrauded of their money.[310]

Consequently, the regional churches were initially cautious, even though the pragmatists, led by Eugen Gerstenmaier, founded the *Relief Organisation of the Protestant Church in Germany* in August 1945 (which merged with the *Inner Mission* in 1957 to form *the Diakonisches Werk*). The first signs of internal resistance within the church emerged as early as the provision of building land, as the Protestant parishes were the organisational level responsible for the housing development efforts.[311]

In July 1947, the Gemeinnützige Siedlungsgesellschaft (GSG) was founded as the legal entity for the church's housing projects within the relief organisation. Linked to the Leonberg Building Society, the GSG found itself in the negative headlines in the early 1980s,[312] and applied

[308] Langen, *Evangelischer Wohnungsbau in Bayern*, pp. 17–18.
[309] Langen, *Evangelischer Wohnungsbau in Bayern*, p. 25.
[310] For further details: Langen, *Evangelischer Wohnungsbau in Bayern*, pp. 26–36.
[311] For further details, see: Langen, *Evangelischer Wohnungsbau in Bayern*, pp. 71–95.
[312] e.g.: *DER SPIEGEL*, No. 37 (7 September 1981), p. 72: (The Protestant Church in Germany has come under scrutiny for its dealings in the housing market: it has lost the public's trust.), *DER SPIEGEL, No. 43, 24 October 1983, pp. 99–103 (A property firm of the Protestant Church is angering homebuyers and tenants with hard-nosed business practices).*

In February 1984, the judicial composition proceedings were approved by the 40 largest creditor banks. Poor location decisions, mismanagement and liquidity problems led to liquidation, which is still not complete. GSG had built 63,000 flats and still owned a portfolio of around 5,000 flats. [313]

Currently, the six existing Protestant housing associations are grouped under the umbrella of the 'Evangelisches Siedlungswerk in Deutschland e.V.' (ESWiD).

- GSG Gemeinnützige Siedlungsgesellschaft für Wohnungs- und Städtebau mbH, Frankfurt/M.
- HWS Hilfswerk-Siedlung GmbH, Berlin
- ESW – Evangelisches Siedlungswerk in Bayern, Nuremberg
- Wichern-Baugesellschaft, Hamburg (since 1925)
- ASH Antoniter Housing Association Ltd, Cologne
- Espelkamp Reconstruction Association

The umbrella organisation is affiliated with the "Deutsches Volksheimstättenwerk" in Bonn.

The largest Protestant organisation is the *Protestant Housing Association in Bavaria* (ESW-Bayern), founded in 1949 – today a group of companies whose main shareholder is now the regional church: "50 Years of ESW: From small housing units for refugees to the housing enterprise of the Protestant Church in Bavaria."

In parallel with *the* Bavarian Protestant *Acredobank,* ESW-Bayern now also operates on behalf of the Regional Church of Mecklenburg.

Overview 111: Share capital and reserves of the members of the Evangelisches Siedlungswerk in Deutschland e.V. (31 December 1999)

Company	*Share capital*	*Reserves*	*Total*
ESW Bavaria	5,500,000	105,639,521	111,139,521
HWS Berlin	12,000,000	68,450,000	80,450,000
GSG Hesse	21,450,000	30,158,000	51,608,000
AG Espelkamp	7,250,000	23,107,840	30,357,840
ASG Antoniter	5,484,590	16,413,032	21,897,622
WICHERN HH	1,200,000	5,934,000	7,134,000
Totals	*52,884,590*	*249,702,393*	*302,586,983*

Source: Annual General Meeting of the Evangelisches Siedlungswerk in Deutschland e.V. on 11 September 2000 in Dresden, working document, Appendix 2. (The reserves were taken into account as they are of an equity nature).

[313] Information provided by Leonberger Bausparkasse.

For the companies organised within the ESWiD,		
– the share *capital* (1999)	DM	302,586,983
– *fixed assets* (1997)[314]	DM	1,016,404,267
The company's own *housing stock* comprises 18,124 flats and represents a market value of approximately	DM	4,077,900,000
The annual rental income from the housing stock, parking spaces and commercial premises amounts to	DM	146,575,308

Compared to the Catholic housing associations, the Protestant organisations are only about a quarter as large. Between 1949 and 1978, a total of 382,000 flats were built by church-run housing organisations. Of these, 312,000 were built under their own development, with Catholic organisations building 227,721 flats and Protestant ones 84,294.[315] However, even today, Protestant organisations are increasingly falling behind. Of the 1,559 housing projects completed by church housing associations in 1999, only 39 (= 2.5 per cent) were built by Protestant organisations and 1,520 (= 97.5 per cent) by Catholic organisations.

11.3. The Churches and their Housing Associations .

Although the two umbrella organisations, the *Catholic Housing Service* (KSD) and the *Protestant Housing Association in Germany* (ESWiD), merged in 1997 to form a formal 'Working Group of the ESWiD and KSD' (AEK), their varying degrees of success reflect the history and the integration of the housing associations within the churches.

Despite its own persistent efforts, the Protestant Housing Association is still not a member of the Social Welfare Organisation of the Protestant Church, and "the efforts of the ESW i.D. to achieve closer cooperation with the EKD have so far met with little success". This stands in stark contrast to the diocesan housing associations, which were actively supported by the bishops from the very beginning.

This fact was described in great detail by the Protestant Settlement Works:

- (1951) in a report by the managing director of the ESW in Bavaria: "Since the Bishop of Würzburg not only views the St. Bruno-Werk favourably, but also acts as its initiator and constant driving force at the helm of the St. Bruno-Werk,

[314] Cf. *Working Paper* for the ESWiD General Meeting, September 2000, p. 8.

[315] Evangelisches Siedlungswerk in Bayern (ed.): *Wohnen im Wandel. Aspekte des Wohnungswesens und der kirchlichen Wohnungsbautätigkeit*. Nuremberg, ESW-Bayern, 1979, p. 87.

its success is assured both in terms of discipline and ideology. (...) Whilst the St. Bruno-Werk is at the heart of the bishop's diocesan work, the ESW in Bavaria is today still one of the many institutions of the Protestant Church's charitable works; indeed, one might almost say it is an 'organisation' that leads a tolerated existence on the margins."[316]

- (1956) in a 'call for help' to the Protestant Regional Synod of Bavaria: "The Bishop of Eichstätt has mortgaged all the land holdings of his diocese, thereby raising 4 million DM for the Catholic housing association St. Gundekar-Werk Eichstätt. The Bishop of Bamberg has, in the same way (...) raised over 10 million. This money is now being used for building projects everywhere. The bishops were able to do this all the more easily because all Catholic properties are registered in the land register not in the name of the local parish but in the name of the dioceses, so that the bishop can dispose of them."[317]

In Protestant circles at the time, there was clear talk of a "Counter-Reformation" being driven forward by the Catholic settlement organisations.

- (1949) "It cannot be denied that the rural settlement policy in Bavaria also serves Catholic interests, in that, on the one hand, the settlement of Protestant applicants is neglected and, on the other hand, attempts are made to settle Catholic displaced persons in the Protestant parts of Franconia. Conversely, strict care is taken to ensure that Protestant displaced persons do not gain a foothold in Catholic Upper and Lower Bavaria."[318]
- (1957) "The threat to the Protestant heartlands posed by the systematic settlement policy of the Catholic Church has intensified since 1949. This is clearly demonstrated by the distress calls that the ESW repeatedly receives from Protestant parishes. Consequently, greater activity on the part of the ESW is expected everywhere."[319]

Only the Regional Church in Bavaria successfully 'took over' the Protestant Housing Association under its own management and with its own capital investment, whilst with regard to the relationship of the other regional churches to the Protestant housing associations, Eugen Gerstenmaier's words (from 1955) still hold true: 'The time-honoured customs of bureaucracy "have held their own brilliantly in our already conservative-minded church."[320]

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316 Langen, *Evangelischer Wohnungsbau in Bayern*, p. 247.
317 Langen, *Evangelischer Wohnungsbau in Bayern*, pp. 234–235.
318 Langen, *Protestant Housing Construction in Bavaria*, p. 133.
319 Langen, *Evangelischer Wohnungsbau in Bayern*, p. 209.
320 Langen, *Protestant Housing Construction in Bavaria*, p. 253.

12. Banks

Church banks / Funds / Staff pension funds / Investment funds / Property funds / 'Green funds' / Special-purpose funds / Investments in affiliated companies / Financial group

> *"You cannot condemn a gold-spitting angel when he helps poor little pigs."*
> *(Credo of the Chairman of the Board of the Protestant Loan Cooperative)* [321]

A sensitive topic: faith and Mammon? The dance around the golden calf? The 'banking palaces' and the 'insurance cathedrals'? All buildings of organisations designed to collect money.

Where have the churches deposited their 'cash'? The answer is simple. They haven't hidden it in kitchen cupboards, chests, slush funds or purple stockings. They've put it where ordinary citizens also keep their 'nest egg': in a bank.

12.1. Church banks

Church banks (just like insurance companies) are classified under 'Church-affiliated associations' [322]in the Protestant sector or 'Other areas of activity and associations' [323]in the Catholic sector.

One church bank has gained a very negative reputation in the public eye: the *Instituto per le Opere di Religione* (Institute for the Works of Religion), or more simply: the Vatican Bank. In the early 1980s, it hit the headlines when Roberto Calvi, director of the long-established Catholic bank *Banco Ambrosiano*, which was affiliated with it, was found hanged on London's Blackfriars Bridge with ten kilos of stones in his pockets. Suddenly, everything was being discussed – criminal machinations, the Mafia, the poisoning of Pope John Paul I, who was found dead in his bed just one month after his election as Pope – and all the media were enthralled: this was the stuff of which stories about the Vatican's shadowy figures are made.[324]

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[321] *Handelsblatt* No. 120, 26 June 1997, p. 24.
[322] *Directory of Protestant Churches*, 1999, p. 941 ff.
[323] *Directory of Catholic Germany*, 1977, p. 313 ff.
[324] e.g. Heribert Blondiau, Udo Gümpel: *The Vatican Sanctifies the Means. Murder of God's Banker*. Düsseldorf: Patmos, 1999, 252 pages.

In Germany, church banks outside the established churches are virtually unknown – only the Cologne-based Catholic *Pax Bank* has achieved a certain degree of fame (as it were, as the 'treasury' of the supposedly richest diocese in the world) – yet there are six Protestant and five Catholic banks operating in Germany with their *branches*:

Protestant banks:

- BKD: Bank für Kirche und Diakonie eG (Duisburg)
- DGM: Evangelische Darlehns-Genossenschaft eG (Münster)
  It is the principal bank in Westphalia, Lippe and the Reformed Church.
- EDG: Evangelische Darlehnsgenossenschaft eG (Kiel, *Berlin*)
- EKK: Protestant Credit Cooperative (Kassel, *Eisenach, Frankfurt, Hanover, Karlsruhe, Speyer, Stuttgart, Vienna*) It is regarded as the principal bank of church Pietism.
- LKG: Saxony Regional Church Credit Cooperative eG (Dresden)
- ACREDOBANK (until 30 June 2000 SKB: Savings and Credit Bank of the Protestant Church in Bavaria eG (Nuremberg, *Munich, Neuendettelsau, Rummelsberg, Schwerin*)

Catholic banks:

- BBE: Bank im Bistum Essen eG (Essen)
- BKC: Bank for the Church and Caritas eG (Paderborn)
- DKM: Darlehnskasse Münster eG (Münster)
- LIGA Savings and Credit Cooperative (Regensburg, *Augsburg, Bamberg, Dresden, Eichstätt, Munich, Nuremberg, Passau, Regensburg, Speyer, Stuttgart,, Würzburg)*
- PAX-Bank e.G. (Cologne, *Aachen, Berlin, Erfurt, Essen, Mainz, Trier, Rome*)

The inclusion of other directly church-affiliated banks that do not, however, belong to the sphere of the two major official churches is to be omitted. These include, amongst others:

- Spar- und Kreditbank Evangelisch-Freikirchlicher Gemeinden eG (Homburg v.d.Höhe), and the
- Savings and Credit Bank of the Federation of Free Protestant Churches eG (Witten).
- Likewise, the Mission Savings Institute of the Steyler Missionaries (St. Augustin), "the bank with double the interest!", as part of the interest is donated to the missionary work of the Steyler Missionaries.

All have the legal form of a registered cooperative with limited liability (eG) and, as cooperatives, belong to the Federal Association of German Volksbanks and Raiffeisenbanks e.V.

This legal form posed a problem when the banks were founded, at least in the case of the new Protestant establishments. As cooperatives, the banks have the same clientele on both sides of their operations

(both among lenders and borrowers). When financial difficulties arise for the Church and its affiliated organisations, they need their money back as lenders, but are then unable to repay it as borrowers, as they face the same difficulties.

In addition to these Protestant and Catholic banks, there is another bank to be included, the

- BfS: Bank für Sozialwirtschaft AG (Berlin and Cologne, *Brussels, Dresden, Erfurt, Essen, Hanover, Karlsruhe, Leipzig, Magdeburg, Mainz, Munich, Stuttgart*).

Founded during the economic crisis of 1923 as *a relief fund for charitable* in *Germany GmbH* (1970 Bank für Sozialwirtschaft GmbH, 1997 public limited company), it is today both a general bank and a specialist bank for social institutions and organisations. The shareholders are exclusively the umbrella organisations of independent welfare services (see chapter *'The Welfare Associations'*), though the two controlling major shareholders are the Catholic Caritas (33%) and the Protestant Diakonisches Werk (also 33%).[325] Accordingly, two-thirds of the BFS's banking assets are to be included in the compilation as 'confessional'.

In addition to the more recent institutions *Darlehnskasse Münster* (DKM: 1961), *Evangelische Darlehensgenossenschaft* (EDG: 1968), *Evangelische Kreditgenossenschaft* (EKK: 1969), and *Bank für Kirche und Caritas* (BKC: 1972), other banks—not just the Catholic ones—have been in existence for some time (*PAX-Bank*: 1917, *ACREDO*: 1922 as Wirtschaftsverband der evangelischen Geistlichen Bayerns eGmbH, *LKG*: 1925, *DGM*: 1927 as the Loan Cooperative of the Westphalian Mission, *LIGA*: 1948).

In the mid-1960s (the first major economic crisis in the Federal Republic of Germany), commercial banks became more cautious and the regional churches realised that they had to join the back of the queue for loans, as the general commercial banks did not consider church-owned property to be very creditworthy (no resale value that could be capitalised in the short term).

When the proponents of setting up a bank then also calculated that an 'own' bank could offer more favourable terms, and negotiations with the commercial banks regarding better terms failed to produce a satisfactory result, the decision was made to go it alone.

[325] See *Handelsblatt*, 7 August 1996, p. 17.

However, the principle that the churches only work with 'their' banks is by no means a dogma. For instance, Dresdner Bank is said to have obligingly fulfilled every wish of the newly installed Archbishop in Hamburg (e.g. an affordable flat for the Bishop's sister, who was moving with him) in order to position itself as the bank managing his accounts, and currently operates a branch within the building complex of the Archiepiscopal Vicariate General.

12.1.1. Regional distribution

With regard to regional distribution, these cooperatives operate "nationwide" (see Map 1, next page), i.e. they operate in precisely demarcated areas of the regional churches or (arch)dioceses. The Protestant Loan Cooperative (Kiel), for example, covers the Protestant area north of the Elbe, excluding Mecklenburg but including Berlin and Vorpommern. In Mecklenburg, the church parishes were prohibited by the Oberkirchenrat in Schwerin from entering into business relations with the EDG.[326] ACREDOBANK (formerly SKB: *Spar- und Kreditbank in der evangelischen Kirche in Bayern eG*) has a branch there. And coincidentally, the *Protestant Settlement Association in Bavaria,* also based in Nuremberg, has a branch in Mecklenburg as well. LIGA (Regensburg) covers the Catholic region of southern Germany (Bavaria, Württemberg and, more recently, Saxony). PAX-Bank (Cologne) covers the entire Catholic region of central Germany, including Berlin and Vorpommern.

The lists of branches read almost like a complete directory of the bishoprics of the (arch)dioceses and regional churches.

However, these 'boundaries' are gradually becoming more fluid. For example, the financial director of the (new) Archdiocese of Hamburg is a member of the supervisory board of both the (Catholic) DKM and the EDG (Protestant Loan Cooperative Kiel), and the Bank for Church and Diaconia has a branch in Berlin, just like the EDG.

12.1.2. Members, supervisory boards and advisory boards

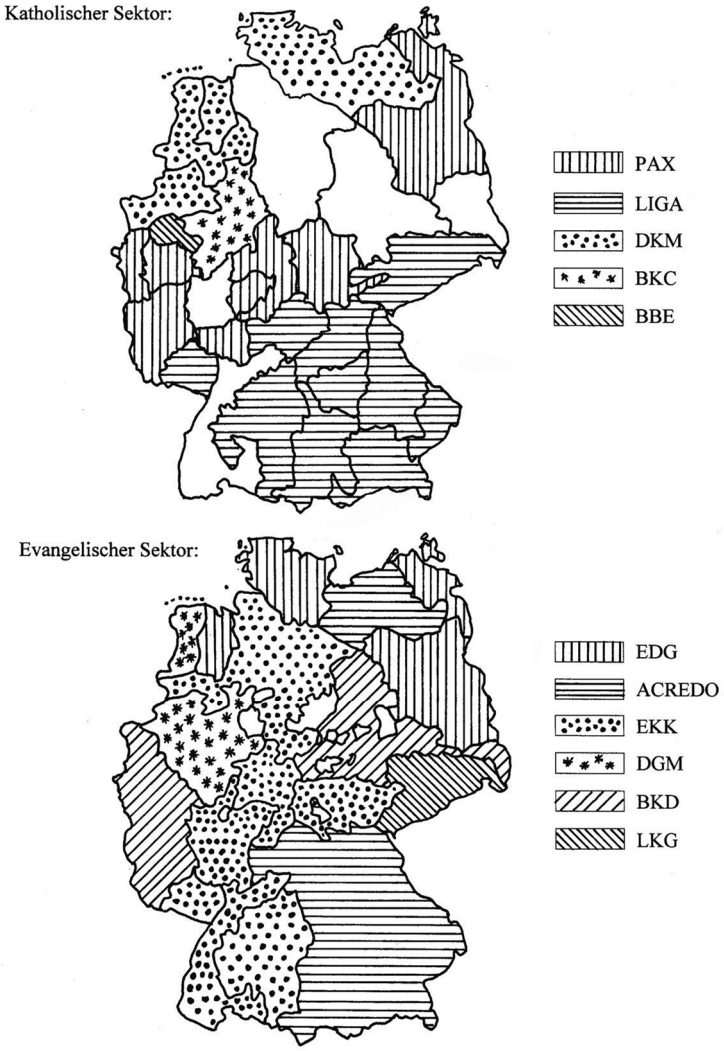
Initially, only church and charitable institutions and their associations could become members. It is only in recent years that church employees have also been admitted as private customers (including volunteers).

Of the 2,245 members (2000) of the EDG, 1,407 are institutions and 838 are private individuals, meaning that just under two-thirds of the members are church and charitable organisations. (However, as illustrated by the bank in

[326] Evangelische Darlehnsgenossenschaft: *1968–1998, 30 Years of Success for a Bank*, p. 33

the Diocese of Essen – 612 members from church and charitable institutions such as corporations (= 26.8% of members) account for 92.7 per cent of customer deposits. Private customers have an average deposit of DM 136,637, whereas institutional customers have an average of DM 4,763,399.)

Map 1: Regional distribution of church banks



The *supervisory boards* and executive boards include

- Protestant: pastors, superintendents, consistorial councillors and directors of the Diakonisches Werk;
- Catholic: provosts, ministers of culture, financial directors of the (arch)dioceses, prelates and vicars-general.

On the *advisory boards* for the individual branches:

- Protestant: financial directors of the Collegium Augustinum, judges at the Finance Court, directors of the Inner Mission, finance managers of the Protestant Central Office for Development Aid, and many others.
- Catholic: Directors of the Caritas associations, board members of the Malteser Aid Service, superiors general, prioresses and abbots, senior civil servants, representatives of Misereor, the Kolping Society, Missio, the Pontifical Children's Aid Organisation, and many others.

12.1.3. Development of the church banks

In 1969, the following was still being written about the church banks: "If the above-average business growth continues in the future – and there is much to suggest it will – the 'church banks' might perhaps already be able to boast a combined balance sheet total of one billion Deutschmarks in a few years' time."[327] This assumption proved true more quickly than predicted. Twelve years later (1980/81), ten of the church banks were each already able to report a balance sheet total of over one billion DM. And by 2000, the balance sheet total of the four identical banks established in 1968 had risen from 398 million to 13.9 billion.

Table 112: Total assets of selected church banks 1967 to 2000

	1967	*2000 .*
Dahrlehnskasse Münster	174 million	4,202 million
Bank in the Diocese of Essen	41 million	3,757 million
LIGA Savings and Credit Cooperative	140 million	4,264 million
PAX Bank	43 million	2,511 million
Totals	*398 million*	*14,734 million*

Sources. 1967: Klaus Martens, How Rich Is the Church?, p. 129 ff.
2000: Annual reports of the banks.

The development of church loan funds and cooperatives is illustrated by way of example using one institution. The development of the other institutions follows a largely parallel course, albeit at different financial levels.

In 1968, the EDG – *Evangelische Darlehnsgenossenschaft (Protestant Loan Cooperative) in Kiel* – began with 125 members and a balance sheet total of 28 million; by 1981, it had twelve years later 1,246 members and a balance sheet

[327] Martens, *How Rich Is the Church?*, p. 130.

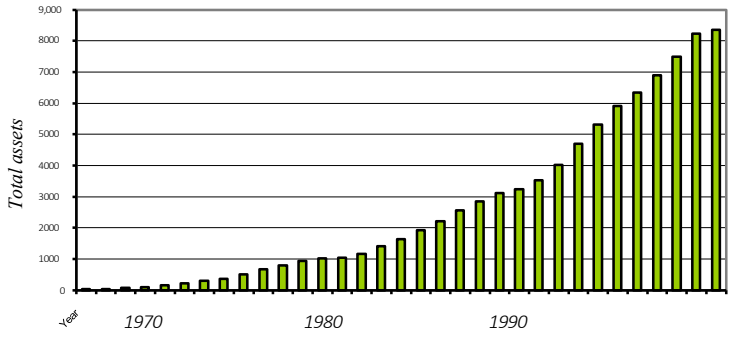
total of 1 billion, by 1986 already 2 billion, by 1991 3.5 billion, and finally in 2000 a balance sheet total of DM 8.4 billion.

Overview 113: Development of the Protestant Loan Cooperative (EDG)

Year	Members r	Total assets	Securities	Dividend	.
1968*)	125	28,169,000	1,673,000	-	
1971	314	99,446,000	27,470,000	7%	
1976	801	503,408,000	198,685,000	7%	
1981	1,246	1,042,037,000	324,361,000	7%	
1986	1,489	2,221,056,000	1,279,625,000	7%	
1991	1,732	3,528,223,000	2,078,554,000	7%	
1996	2,009	6,342,719,000	3,640,734,000	7%	
1997	2,052	6,893,880,000	4,584,503,000	7% + 2%	
1998	2,104	7,487,288,000	5,056,756,000	7%	
1999	2,201	8,235,248,000	5,771,398,000	7%	
2000	2,245	8,359,012,000	6,052,369,000	7%	.

Source: Evangelische Darlehnsgenossenschaft eG, Kiel and Berlin: "1968–1998. 30 Years of a Bank's Success", pp. 30, 31 and Annual Reports 1998, 1999, 2000.
**) Year of foundation, from 1 July*

Diagram 9: Balance sheet totals of the Evangelische Darlehnsgenossenschaft from 1968 to 2000



Noteworthy is the uninterrupted rise in total assets. A fact that we will examine in more detail shortly in relation to customers' deposits.

Banking secrecy has been in place from the outset, which in this case means that church authorities have no insight into the accounts of the church congregations.

The necessary start-up capital for the EDG was advanced in 1968 by two insurance companies (the *Evangelische Familienfürsorge* and the *Ecclesia Versicherungsdienst*) and a church cooperative bank (*Darlehens-Genossenschaft Münster*). As the establishment of the bank was controversial within the synod, the regional church was unable to use church tax funds for this purpose.

(This 'culture of debate' within the Protestant regional churches and the EKD, which is repeatedly observed and which, in their own self-image, is viewed positively as 'democratic' in contrast to 'authoritarian' Catholicism, does not in fact lead to workable compromises, but rather to unilateral actions and special paths.)

The dividend remains a steady seven per cent annually, with an extra two per cent in 'anniversary years'. And all this is based on the fact that, for 30 years, the EDG has not charged its customers any fees, has paid higher interest on deposits and has granted loans on more favourable terms than its private-sector competitors. As a result, the EDG proudly states, its church-affiliated customers have saved a total of 443 million marks over the 30 years since its foundation, which they would have had to pay more at a non-church commercial bank.

These savings are made possible because church banks, unlike nationwide, competing commercial banks, do not have to maintain a large, labour- and cost-intensive branch network, but instead operate for a limited customer base within a mutually defined and therefore non-competitive area. These principles apply to all church banks.

However, new trends have recently emerged, with two banks in particular seeking to overcome their regional limitations both in church newspapers and on the internet: The Dahrlehnskasse Münster (DKM) advertises itself as "the first port of call for the Church and Caritas: Direct, Competent, Human" and is expanding a service for job placement, holiday offers, etc. The Evangelische Kreditgenossenschaft (EKK) presents itself as a partner for "very affordable" car finance. ("A prerequisite for this is comprehensive insurance with Bruderhilfe Sachversicherung.")

Compared to the major commercial banks, the church banks certainly hold their own. Whilst, for example, Germany's second-largest commercial bank, Hypovereinsbank, employs a total of 46,170 staff for a balance sheet total of around 984 billion marks (1999) (that is 21.3 million per employee), the Evangelische Darlehensgenossenschaft achieved a balance sheet total of 8.2 billion in the same year with 129 employees (63.8 million per employee).

Nor would the EDG need to shy away from a comparison with another large and 'mysterious financial institution' – the Vatican Bank IOR (Instituto per le Opere di Religione) – for 'the Vatican Bank currently manages 700 billion lire (7 billion marks), including numerous shareholdings in Italian companies'.[328]

Due to their origins and the associated restriction to a manageable number of capital-rich, institutional clients, the church banks have already achieved a position within their respective denominational sectors that the major German banks are currently only striving for (e.g. Deutsche Bank, Hypovereinsbank, Dresdner Bank), by outsourcing or automating the cost-intensive, low-profit retail business.

Overview 114: Key figures for church banks in Germany (2000)

Bank	*Total assets*	*Deposits*	*Securities*
Protestant:			
BKD:	4,021,192,917	3,641,170,224	1,272,550,367
EDG:	8,359,012,169	7,633,133,549	6,052,369,131
EKK:	6,924,050,551	5,701,674,157	2,687,230,422
DGM:	3,455,837,438	2,964,592,569	1,705,637,898
LKG:	822,027,330	687,464,215	378,738,847
ACREDO:	1,673,456,524	1,331,579,376	597,867,639
Total	*25,255,576,929*	*21,959,614,090*	*12,694,394,304*
Catholics:			
BBE:	3,756,537,643	3,146,844,987	1,967,251,995
BKC:	4,309,240,714	4,039,757,525	3,318,598,826
DKM:	4,202,491,992	3,971,269,349	3,024,465,452
LIGA	4,623,886,499	4,264,419,587	2,433,829,601
PAX	2,510,764,802	2,121,284,943	836,890,119
Total	*19,402,921,650*	*17,543,576,391*	*11,581,035,993*
'Ecumenical':			
FSO: (2/3)	4,094,333,724	2,433,191,783	1,639,381,376
Total	**48,752,832,303**	**41,936,382,264**	**25,914,811,673**

Sources: Banks' annual reports for 2000

The cash deposits are predominantly fixed for more than five years (higher interest income). The securities consist almost exclusively of bonds and other fixed-income securities. Shares and other non-fixed-income securities consistently account for less than ten per cent of the securities portfolio, with traditional listed shares making up the smallest proportion.

[328] *DER SPIEGEL*, 50/1998 (Peter Wensierski "The Vatican and the Universal Church"), http://www.spiegel.de/spiegel/0.1518.10929.00.html (page 7).

12.1.4. Deposits

At 42 billion marks, the total cash deposits of church and charitable institutions and church employees amount to more than two and a half times the annual revenue from church taxes.

Overview 115: Cash deposits with church banks 1997 to 2000 (in TDM)

Bank	*1997*	*1998*	*1999*	*2000*
BKD, Duisburg	3,275,947	3,471,601	3,609,493	3,641,170
EDG, Kiel *	6,395,662	6,934,500	7,530,701	7,633,134
EKK, Kassel *	5,130,486	5,524,988	5,857,299	5,701,674
DGM, Münster *	2,335,827	2,552,002	2,814,154	2,964,593
LKG, Dresden	601,821	615,239	642,274	687,464
SKB/ACREDO, Nuremberg*	1,193,094	1,276,586	1,364,909	1,331,579
Protestant banks	*18,932,837*	*20,374,916*	*21,818,830*	*21,959,614*
BBE, Essen *	1,739,947	2,247,216	2,877,470	3,146,845
BKC, Paderborn	3,310,000	3,522,594	3,879,847	4,039,758
DKM, Münster *	2,793,989	3,157,047	3,678,572	3,971,269
LIGA, Regensburg *.	3,555,298	3,868,572	4,019,248	4,264,420
PAX, Cologne	1,935,523	2,089,380	2,141,501	2,121,285
Catholic banks	*13,334,757*	*14,884,809*	*16,596,638*	*17,543,577*
BFS, Cologne (2/3)*	2,233,152	2,297,740	2,412,053	2,433,192
All banks	***34,500,746***	***37,557,465***	***40,827,521***	***41,936,383***
Increase in cash deposits compared with the previous year by DM:				
Protestant banks		1,442,079	1,443,914	140,784
Catholic banks		1,550,052	1,711,829	946,939
Bank for Social Economy		64,588	114,313	21,139
Total		*3,056,719*	*3,270,056*	*1,108,862*
* All customer funds: savings deposits, overnight deposits, term deposits *plus* bearer bonds issued by the banks.				

As a private individual and church tax payer, who can say they have two and a half 'annual salaries' deposited in the bank? Perhaps you can, but I cannot. It is perhaps permissible at this point to remark that the complaints of church institutions that they have no money seem questionable. This wealth, however, also stands in strange contrast to some parishes, which are, after all, 'as poor as church mice'.

The idea, however, of drawing on these reserves to at least alleviate the current financial problems caused by falling church tax revenues is far removed from reality. An economic principle (not only) of church budgeting is that running costs are to be paid solely from current income and not from capital. And savings are assets, i.e. capital.

It is therefore consistent that, with falling church tax revenues and strict austerity measures, customer deposits at banks are rising significantly. From 1997 to 1998, cash deposits rose by a total of 3 billion marks; from 1998 to 1999 by 3.3 billion; and in 2000 by a further 1.1 billion marks.

This is the behaviour private 'householders' adopt when their income dwindles: pocket money for the children is cut, the wife has to make do with less household money, i.e. running costs are reduced as much as possible and existing savings are further increased as a reserve for perhaps even worse times.

However, the churches as employers are no small 'householder', and so it is incomprehensible that assets are being increased at the expense of employees' incomes (instead of using them for a 'socially acceptable' and necessary reduction in staff numbers). This is behaviour that would be sharply criticised with vehement 'pulpit pathos' in any private-sector business.

"ARBEIT PLUS is the name of the workplace seal awarded by the Protestant Church in Germany to companies that distinguish themselves through exemplary employment policies." For example, for companies that "set an example of social responsibility and standards for others".[329] The question of whether employees of the Protestant Church would grant this "seal of approval" to their own employer cannot be answered within the scope of this study.

In June 2000, the *Working Group of Christian Churches in the Rhine-Main region* organised a pilgrimage under the theme "Because a few are rich, many are poor", and a daily vigil was held outside a bank.[330] The question is simply whether they held this vigil outside the right banks.

However, they were probably just as unaware of their own churches' finances as the EKD Council Chair, Bishop Manfred Kock, who remarked: "The assets of the Protestant Church are overestimated. We only have the reserves to which we are legally entitled, which are sufficient for three months."[331] (My enquiry to the EKD as to whether this was true went 'follow-up'.)

The relatively smaller increase in assets from client funds in 2000 (1.1 billion), where, as in previous years, at least 3 billion would have been expected

[329] http://www.arbeit-plus.de

[330] *Mainzer Bistumsnachrichten* No. 17, http://www.kath.de/bistum

[331] *FOCUS* No. 49/1998, dated 30 November 1998, p. 14 (We must cut back on services, FOCUS interview with the EKD Council Chair).

(also due to the rise in church tax revenue in 1999) is, however, misleading.

Three banks (the EKK, ACREDOBANK and PAX-Bank) even recorded lower customer deposits in 2000 than in 1999.

This smaller increase and even the decrease are, however, due to the same phenomenon: church customers deposited less money into their accounts because they preferred (during the 'share market euphoria' of 2000) to invest it in investment funds and securities that do not appear on the balance sheets of the church banks. At PAX, as much as 31 million of the existing deposits were even transferred to their customers' share portfolios.[332] The bank in the Diocese of Essen writes the following regarding customer deposits: "In addition to the shift into other forms of investment, such as fixed-term deposits or bearer bonds, the continuing trend towards investment in shares and securities has contributed to the decline in savings deposits."[333]ACREDOBANK also notes: "The development of deposits was characterised by increased engagement by our customers in off-balance-sheet forms of investment such as securities, investment funds and property funds."[334] Similarly, the Evangelische Darlehensgenossenschaft (2000) remarks: "Our customers' increased activity in the securities business led to encouraging commission income" and the EDG recorded a 110% increase in its service business.[335]

Financial assets were therefore increased to no lesser extent than in previous years; it was simply the principle and the nature of the holding that had changed. According to scattered information in the annual reports, the capital investments in their customers' (invisible) custody accounts range between 15 and 20 per cent of their cash deposits. This would mean that the financial assets of the church banks' customers would increase by a further DM 6.3 to 8.4 billion, amounting to a total volume of around DM 50 billion.

Since we have so far only dealt with the cash deposits recorded on the balance sheets of the twelve church banks, this now leads us to the question of what financial assets exist outside these banks.

The suggestion that the church banks were also established to better conceal (under banking secrecy) how much money the church institutions hold in reserves,[336] may while this may have been true a few decades ago (these

[332] Pax-Bank: *Report on the 2000 Financial Year*, p. 12.
[333] Bank in the Diocese of Essen: *Annual Report 2000*, p. 15.
[334] ACREDOBANK, *Annual Report 2000*, p. 19
[335] Evangelische Darlehnsgenossenschaft eG, *Report on the 2000 Financial Year*, p. 16.
[336] See also Martens, *How Rich Is the Church?*, 1969.

allegations were levelled in particular at the small Pax-Bank in Cologne, founded in 1917), today the situation is the exact opposite, as these banks now engage in public relations work (in some cases very actively). Since, as a basis for their business, they (can) only have church institutions and their employees as customers, these financial assets are then very visible there.

If the churches really wanted to conceal their assets, they would certainly open accounts with ordinary commercial banks, savings banks or the Postbank, as they would actually remain anonymous there.

As every parish, every church institution, every diocese and every senior citizens' group is free to invest its money with a bank of its own choosing, the figures from church banks only capture that portion of church savings that has actually been deposited with them.

A review of thirteen randomly selected church institutions reveals that they report nineteen accounts, of which only six are held with a *church* bank.

Overview 116: Church organisations and their bank accounts

"Institution"	*Account / bank details with .*
Hamburg, St. Nikolai Main Church	Deutsche Bank
Senior Citizens' Academy	– '' – Postbank Hamburg
Hamburg, St. Petri Main Church	Vereins- und Westbank
Overview	*Protestant Loan Society, Kiel*
Church Music St. Katharinen	*Protestant Loan Association, Kiel*
Bread for the World	Postbank Cologne
Bana-Fair	Hypobank Stuttgart
Flower Campaign	*Acredobank*
Trans-Fair e.V.	*Pax Bank, Aachen*
missio (Aachen)	German Pharmacists' and Doctors' B.
missio (Munich)	Postbank Munich
	LIGA Bank, Munich
	Reuschel & Co., Munich
Misereor	Aachen SavingsBank
	Pax Bank Aachen
	Postbank Cologne
Christoffel Mission for the Blind	Bensheim Savings Bank Postbank
	Nuremberg Postbank Berlin

This can be seen as an indication that the Church's financial assets are roughly three times as large as the verifiable holdings at the Church banks. That, in turn, would mean that the two major established Churches in Germany, with all their districts, deaneries, parishes, initiatives and associations, organisations and federations, have assets of around 150 billion marks tucked away.

This scale is also supported by the number of members of church banks in the institutional sector, which, based on data from the church banks and isolated breakdowns, stands at around 18,000 church and diaconal organisations. With 31,000 church parishes, an equal number of bodies in the diaconal/charitable sector and a multitude of other associations, organisations and institutions, significantly fewer than a third of potential members actually hold an account with a church bank.

However, the estimate of DM 150 billion in capital assets is viewed controversially: "According to estimates by the Catholic social ethicist Johannes Hoffmann, the sum that churches and church institutions currently have invested with banks lies in the 'high three-digit billion range'. [...] However, Hoffmann's estimate that the churches have invested a sum in the hundreds of billions strikes Herborg (head of the finance department of the Protestant Church) as 'far-fetched'."[337]

Our estimate is also confirmed by the fact that the two established churches (as early as 1993) are said to have reported income from assets totalling 5.1 billion, which, at an interest rate of 5 per cent, would imply assets of 102 billion[338] and does *not* include all charitable organisations, in particular Diakonie and Caritas, nor the denominational associations.

It is also noteworthy which bank details, for example, are provided by denominational aid organisations when appealing for donations. Following the catastrophic earthquake in India (January 2001), 16 organisations appealed for donations on the ARD Tagesschau website. Ten of these organisations were church-affiliated aid organisations, and only the two smallest on this list (*Doctors for the Third World* and *Kindernothilfe*) provided details of accounts with church banks. The other eight organisations (including *Caritas International, Diakonisches Werk and Misereor*) provided details of accounts with postal banks and savings banks.[339]

12.1.5. Equity and fixed assets (tangible assets)

The banks themselves are also equipped with equity capital and real estate / tangible assets. These financial assets must also be added to the churches' assets, as the church and charitable organisations are their owners in their capacity as 'members', i.e. shareholders of the banks.

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[337] *Der Tagesspiegel*: 17 March 2000 (Ethical Investment).
[338] See the chapter on *church taxes and other income*.
[339] http://www.tagesschau.de/archiv/2001/01/26/aktuell/meldungen/spenden.html

Overview 117: Equity capital of church banks (2000)

Bank	*Equity*
Bank für Kirche und Diakonie eG (Duisburg)	153,380,040
Protestant Credit Union (Münster)	199,474,497
Protestant Loan Cooperative eG (Kiel)	319,713,411
Protestant Credit Cooperative eG (Kassel)	357,528,874
Saxony Regional Church Credit Cooperative eG (Dresden)	35,544,713
Acredobank eG (Nuremberg)	141,456,248
Total Protestant banks	*1,207,097,783*
Bank im Bistum Essen eG (Essen)	135,596,221
Bank for the Church and Caritas eG (Paderborn)	84,984,664
Darlehenskasse Münster eG (Münster)	129,789,717
LIGA Savings and Credit Cooperative (Regensburg)	224,852,680
PAX-Bank e.G. (Cologne)	75,332,558
Total Catholic banks	*650,555,840*
Bank für Sozialwirtschaft (Cologne) (2/3)	124,693,659
Total	*1,982,347,282*

The equity capital shown on the balance sheet amounted to around DM 2 billion. It should be noted that the 'liability capital' is approximately 12% higher. It is not straightforward to assess the value of property and other tangible assets based on the balance sheets, as the value of tangible assets is depreciated annually.

Overview 118: Balance sheet values for property, plant and equipment of church banks (2000)

Bank	*Tangible assets*
Bank für Kirche und Diakonie eG (Duisburg)	7,047,966
Protestant Loan Cooperative eG (Münster)	4,327,428
Protestant Loan Cooperative eG (Kiel)	25,480,224
Protestant Credit Cooperative eG (Kassel)	56,161,116
Saxony Regional Church Credit Cooperative eG (Dresden)	1,283,640
Acredobank eG (Nuremberg)	7,680,657
Total Protestant banks	*101,981,031*
Bank im Bistum Essen eG (Essen)	31,348,680
Bank for the Church and Caritas eG (Paderborn)	3,094,448
Darlehenskasse Münster eG (Münster)	20,660,343
LIGA Savings and Credit Cooperative (Regensburg)	89,118,062
PAX-Bank e.G. (Cologne)	21,686,320
Total Catholic banks	*165,907,853*
Bank for Social Economy (Cologne)	59,991,209
Total	*327,880,093*

The value of tangible fixed assets (property, etc.) is likely to be three times this amount, as the figures in individual annual reports regarding accumulated depreciation on acquisition/production costs show that around two-thirds has been written off. The market value remains off-balance-sheet. In line with indications that more than two-thirds has already been written off, the banks' fixed assets amount to: around DM 1 billion.

12.2. Church- -Fonds

At any rate, part of the assets not visible in the church banks' accounts can be found by looking at certain funds.

12.2.1. Employee Pension Funds

In the following chapter on insurance, only the Catholic KZVK (*Church Supplementary Pension Fund of the Association of German Dioceses*) and the Protestant VERKA (*Church Pension Fund*) are included among the pension funds. However, only 430,000 of the total of around 1.4 million employees in the two denominational sectors are insured by these two funds. As these two funds have investments amounting to around DM 16 billion, the remaining employee pension funds are therefore still missing from our records.

For example, the Protestant Regional Church in Bavaria had such a fund amounting to DM 924 million in 1999.[340] As the Bavarian Regional Church represents almost exactly one-tenth of the EKD, the total volume of these funds within the EKD is likely to amount to around DM 10 billion. On a parity basis with the Catholic Church, a minimum volume of DM 20 billion can be assumed, which is invested outside the KZVK and VERKA.

In addition to these internal funds, there are further funds.

12.2.2. Investment funds

In addition to advising their clients on investment opportunities, the church banks have set up their own funds. In particular, the Catholic LIGA (Regensburg) and the Catholic PAX Bank (Cologne) have established their own joint investment funds [341]

- *Liga-Pax-Rent-Union*. An international bond fund focusing on fixed-income euro securities (securities identification no. 849 122, launched: 28 December 1989).
- *Liga-Pax-K-Union*. A bond fund comprising fixed-income securities with short-term (Securities ID No. 975 014, launched: 1 December 1994).
- *Liga-Pax-Aktien-Union*. Equity fund focusing on European shares of large, high-growth companies ("blue chips") (Securities ID No. 975 021, launched: 5 May 1997).

[340] Leaflet from the Regional Church Office: *Figures, Data, Facts.* As at: October 1999.

[341] Information taken from the annual reports of the participating banks, 1998; Union-Investment, fund prices/funds, available online at: http://www.union-investment.de/fp/preise.html

- *Liga-Pax-Balance-Union*. A global mixed fund comprising (68%) equities and (32%) bonds (Securities ID No. 531 421, launched: 2 May 2000).

From the Protestant Bank for Church and Social Welfare:

- *KD-UNION Fund.* Mixed fund comprising European fixed-income securities (bonds) and equities (Securities ID No. 849 127, launched: 20 February 1990).

From the Catholic Bank for Church and Caritas:

- *KuC-Fonds-Union*. An international bond fund with a mix of equities (Securities ID No. 975 000, launched: 17 December 1990). A joint venture of all eleven church banks in Germany, which established a special investment fund "for your well-deserved retirement" to present a united front in the market regarding the political debate on a private supplement to the statutory pension insurance, is the investment fund:
- *KCD-UNION-AS* (AS = Special Pension Fund) K (=Church) + C (= Caritas) + D (=Diakonie). A pension fund comprising German and international equities of attractive individual stocks – "stock picking" (74%), bonds (12%) and units in an open-ended property fund (13%) (Securities ID No. 975 772, launched: 16 October 1998). The open-ended property fund comprises fund units (with a value of DM 16.3 million) of the "Aachener Grund-Fonds No. 1", which "ranked first in both the 10-year and 20-year comparisons"[342] of German property funds.

Much like in European cooperation, where the EEC – the European Economic Community – was established first, followed by the EU as a political union, ecumenism among the churches is also taking shape primarily in the financial sphere.

But Catholic aid organisations (*Misereor, Kindermissionswerk, Malteser Werke* and *missio*) have also already discovered this investment opportunity in the form of a fund. In its donation leaflets, *Misereor* recommends contributing to this joint fund: the fund's dividends are distributed to the aid organisations, whilst the fund's assets remain in the donors' possession:

- *Pro Mundo Fund*. Focus on fixed-income securities from European bond markets with shorter maturities (security code 975 016, launched: 1 December 1995).

Missio has also launched its own fund, the

- *DekaLux-pro Missio*. Established in January 1995, it is an 'umbrella fund' in which the fund's assets are drawn from various sub-funds and in which the net income is distributed exclusively to missio e.V. There are no plans to list fund units on a stock exchange. As at 31 December 1998, the fund's assets totalled DM 33,211,702.85 and had increased to 37.1 million by February 2001.

[342] Bank für Kirche und Caritas: *Annual Report 1998*, p. 18.

Together, the funds (as at 28 February 2001) have a volume of around DM 2 billion.

Overview 119: Fund volume of church funds (in DM))*

Fund	*Volume 1998*	*2/2000*	*2/2001 .*
Liga-Pax-Rent-Union	502.1 million	553.5 million	565.3 million
KD-Union Fund		66.5 million	78.2 million
KuC Union Fund		244.5 million	264.1 million
Liga-Pax-K-Union	169.8 million	199.5 million	201.5 million
Pro Mundo Fund		56.7 million	58.7 million
DekaLux-pro Missio	33.2 million	N/A	37.1 million
Liga-Pax-Aktien-Union	198 million	432.2 million	467.5 million
KCD Union AS	83.8 million	248.4 million	242.5 million
Liga-Pax-Balance-Union			131.1 million
Total	*986.9 million*	*1,801.3 million*	*2,046.0 million*

Sources: 1998: Liga: Annual Report 1998, p. 1; 2/2000 + 2/2001: Union Investment, (in: http://www.union-investment.de/fp/prei-se.html) and http://www.fondscheck.de Detailed information on the individual funds is provided there. Figures given there are in EURO.
**) Own conversion to DM based on 1.95583 DM = 1 EURO.*

A look at the value growth of the individual funds provides more precise information on which funds are the most successful.

At the start of 2000, the *Liga-Pax-Aktien-Union* and *KCD-Union-AS* funds still had the highest increases of 29 and 37 per cent per year respectively. It was the speculative equity funds that showed the highest growth in value at that time and then suffered significant losses following the 'crash' at the end of 2000 / start of 2001. The difference between these funds and fixed-income bond funds, which was still significant in 2000, had almost levelled out by 2001. This risk is clearly illustrated by the newly launched Liga-Pax-Balance-Union (with a 68% equity allocation), which is currently experiencing negative growth.

Overview 120: Performance of church funds since inception

Fund	*Since*	*Fund performance*			
		up to 2/2000 per annum		*up to 2/2001 per annum*	
Liga-Pax-Rent-Union	12/89	110%	*10.8%*	129%	*11.7%*
KD Union Fund	2/90	127%	*12.7%*	136%	*12.4%*
KuC-Fonds Union	12/90	96%	*10.4%*	107%	*10.7%*
Liga-Pax-K-Union	12/94	27%	*5.2%*	33%	*5.5%*
Pro Mundo Fund	12/95	16%	*3.8%*	59%	*11.8%*
Liga-Pax-Aktien-Union	5/97	84%	*29.0%*	69%	*17.3%*
KCD-Union-AS	10/98	56%	*37.0%*	32%	*12.8%*
Liga-Pax-Balance-Union	5/00*)			– 3.8%	*– 3.8%*

**) Shortened financial year for 2001 (only 10 months)*

Whereas the investment policy of church funds up to 1995 had been geared towards solid fixed-income securities, which, although rising only modestly, did so steadily, 1997 appears to have seen a moral and mental barrier

was apparently overcome and they ventured onto the slippery stock market floor – with high risk, which is to be mitigated by broad diversification.

If even the cautious church banks have been gripped by speculative fever, it is hardly surprising that the warning words of Paderborn's Auxiliary Bishop Reinhard Marx (who is also chairman of the Catholic Commission *Justitia et Pax*) have fallen on deaf ears: Admittedly, he said, owning shares is not immoral, but: 'Pure speculation is certainly not ethically justifiable from a Catholic perspective.' Everyone should therefore consider whether they 'wish to take part in such a game of Monopoly'.[343] The Kolping Educational Institute in Augsburg has given it some thought and launched the

- *Eagle Top Kolping* Equity Fund

. (Minimum investment: DM 3,000) As the fund buys only shares in reputable companies included in the Euro Stoxx 50 (including Deutsche Telekom, Nokia, France Telecom, DaimlerChrysler and Allianz), it cannot be described as gambling. Since sales began in September 1999, a 30.08 per cent increase in value has been achieved in three months.[344]

In addition to the church banks' and church-affiliated organisations' investment funds mentioned above, there are other funds, although these maintain a very low public profile.

- *BFS-GarantPlus* from the *Bank für Sozialwirtschaft* (Securities ID No. 989 555).

A closed-end fund whose units have been sold and which is no longer traded on the market. Volume unknown.

12.2.3. Property funds

Within the sphere of both official churches, there are also property funds for denominational institutional investors.

- *Aachen Real Estate Fund No. 1*, "the attractive real estate fund for church and Caritas" [345]

This fund is managed by *Aachener Grundvermögen Kapitalanlagegesellschaft mbH* (Cologne) – a subsidiary of Aachener Siedlungs- und Wohnungsgesellschaft mbH (see: *Siedlungswerke*). The shareholders of this investment company are the (arch)dioceses of Aachen, Dresden-Meissen, Essen, Cologne, Münster, Paderborn and Trier.[346]

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[343] *Kolpingblatt*, March 2000, p. 2.
[344] http://www.eagle-top-kolping.de (continued there)
[345] LIGA, *Annual Report 1998*, p. 17.
[346] http://www.aachener-grund.de/ueberuns.htm

Launched in May 1974, 'Aachener Grundvermögen' operates under the motto: *"25 years* of security and returns *for church* assets" and aims to "enable church asset holders to invest their capital in property".

"In October 1998, the Aachener Grund-Fonds, whose units had previously been sold only to asset holders of the Catholic Church, also opened up to the 'KCD-Union AS' special pension fund newly launched by Union-Investment-Gesellschaft. These fund units are distributed to private individuals via the Protestant and Catholic church banks."[347] Since its inception (1974), the Grund-Fonds has seen a 435 per cent increase in value and, including two special funds, has fund assets[348] (March 1999) of 2.454 billion.

- *DEFO – Deutsche Fonds für Immobilienvermögen GmbH*

(Frankfurt am Main) is a specialist credit institution within the DG (Deutsche Genossenschaftsbank) group. Keeping a very low public profile, this institution is the Protestant counterpart to the Catholic Aachener Grundvermögen, as it is the investment company responsible for managing the special real estate funds of the Protestant regional churches. Fund volume: 2.5 billion, around 100 fund properties with a total floor area of around 380,000 sq m in German economic centres.[349]

In total, these investment and property funds of the church banks and churches amount to DM 7 billion.

Overview 121: Church fund assets

Investment funds of the church banks (2/2001)	2.05 billion
Aachen Land Fund of the dioceses (1999)	2.45 billion
DEFO of the Protestant Regional Churches (2000)	2.5 billion
Total	*7.0 billion*

12.2.4. Special funds

Most church banks have set up 'special funds' for their clients – closed-end funds for investors primarily from the charitable sector – about which the Bank for Social Economy writes:

[347] http://www.aachener-grund.de/ertrag.htm
[348] *Bauen und Siedeln.* No. 3, September 1999, p. 29.
[349] http://www.defo.com

"The Bank for Social Economy offers prospective investors with an investment volume of DM 10 million or more a special form of asset management: a special fund tailored precisely to your investment needs. (...). Advantages: Valuation advantages: By accounting for the value of the fund units yourself, a balance is struck within the fund's assets between depreciation and hidden reserves of the individual securities.
The securities within your fund assets can be repeatedly reallocated without exposing you to the suspicion of commercial activity, i.e. without jeopardising your charitable status."[350]

But isn't it very kind of the bank to take such care to preserve its clients' charitable status, isn't it?

12.2.5. Green Funds

The so-called 'green funds' – of which there are now eighteen – are gaining new significance, at least in the debate, even though they account for only 0.4% of the market.[351]

Very early on (in 1991), the Bank for Church and Diakonie launched the

- *KD Fonds Oeko-Invest,* , a fund whose portfolio includes only companies that observe environmental sustainability criteria in the development, manufacture and distribution of their products (securities identification no.: 971 682, launched on 15 May 1991). The fund's volume stood at around 90 million marks (February 2001) and, like other equity funds in 2001, is now in 'decline' following initially impressive growth rates.

The Evangelische Kreditgenossenschaft Kassel has launched the

- *EKK Global Ethic Certificate*, which it itself touts as the "successful investment trend of the 21st century",[352] but about which no information is available, presumably because it has slipped into the red (securities ID no.: 809 531).

What is right for the two Protestant banks is also fitting for all church banks, and so the Kirchen+Caritas+Diakonie alliance of all eleven church banks has added ecological 'siblings' to both its equity and bond funds (from March 2001):

- *KCD-Union Sustainable Equity DJSG Index*
  (Securities ID No.: 532 653), and the
- *KCD-Union Bond Plus Sustainable DJSG Index*
  (Securities ID No.: 532 652)

[350] http://www.bfs-ag.de/bfsag/bankleistungen/geldanlagen.htm
[351] http://www.umweltfonds.de
[352] http://www.ekk.de (EKK Global Ethic Certificate)

"DJSG Index" stands for "Dow Jones Sustainability Group Index" and assesses companies according to economic, environmental and social criteria.

However, 'unclean' investments are still permitted in green funds. For instance, the *KD-Fonds Öko-Invest* is allowed to invest up to 33 per cent in companies that are not at all environmentally active.[353]

In addition to these 'green' debates, however, there are further ethical issues. Whilst there is agreement in 'ethical rating' that a company such as DaimlerChrysler – one of the world's major arms manufacturers – is not permissible, the question arises: "Should a company such as Schering, which after all markets the contraceptive pill, be allowed in the (Catholic) Liga Pax equity fund? The answer is 'yes'; the share, it is said, is simply too good not to be considered."[354]

The discussions are far from over, and it remains to be seen what market share these ethical interests will hold in a sector where the sole aim is simply to make money.

It is noteworthy, however,[355] that since 1999 there has been a

- *fund for religious orders and ecumenism* has existed (WKN 978 407), which composed of half fixed-income and half equity assets.

This 'ethical rating' had been initiated by the religious orders, and so the three Catholic institutions – Bank im Bistum Essen, Darlehnskasse Münster and the Bank für Kirche und Caritas – launched this fund. The fund's volume could not be ascertained, but the value is (in 2001) falling due to the inclusion of equities.

Let us now return from the trading floor to the banks.

12.3. Shares in affiliated companies

With regard to their shares in 'affiliated companies', only five banks report such holdings (of at least 20%) in their annual reports.

Overview 122: Reported holdings of the church banks (2000)

Evangelische Kreditgenossenschaft	DM	49,666,000
Protestant Loan Cooperative	DM	5,086,817
Pax Bank	DM	850,000
Acredobank	DM	244,500
Regional Church Trust, Saxony	DM	395,000
Bank for Social Economy (2/3)	DM	66,700
Total	*DM*	*56,309,017*

[353] http://www.finanzen.focus.de (Environmental Technology Fund)

[354] *Der Tagesspiegel*, 2 November 1997. (Eike Jahberg: "God's blessing alone is not enough for church banks"), at: http://www2.tagesspiegel.de/archiv/1997/11/01/m_u_021197.html

[355] *BBE Annual Report 1999*, p. 18, and see: http://www.bkc-paderborn.de (Funds)

They have a total value of around DM 56 million. These consist of shareholdings, where explicitly stated, in a data centre, other service limited companies, a Protestant housing association, the HKB, Handelsgesellschaft für Kirche und Diakonie mbH (see the chapter *on trading companies*) and a retirement home, 'Es Castellot', run by the Diakonisches Werk in Mallorca.

12.4. Summary of assets

If we now summarise the assets held by the churches in the church banking sector and based on the estimates derived from this, the total comes to around 160 billion.

Overview 123: Total assets – financial investments: (2000)

- Cash deposits with church banks	41.9 billion
- Off-balance-sheet investments (estimated)	8 billion
- Savings deposits with other banks (estimated)	100 billion
- Equity capital of church banks	2 billion
- Fixed assets of the church banks (estimated)	1 billion
- Investment funds (2001)	7 billion
- Investments	56 million
Total	*159.956 billion*

In this context, the question naturally arises as to who actually put the constantly propagated image of a 'poor church' out into the world, or who is responsible for it. This view is, at the very least, widespread and is also deliberately used by church officials as a means of pressure to secure even more state funding for their institutions – one can only marvel at this.

12.5. Financial Group

The partners of the church banks and aid organisations in the fund business are, on the one hand, *Union-Investmentgesellschaft*, which belongs to the financial network of German cooperative banks, and, on the other hand, "the special fund business operated for years by our network partner, DEVIF Deutsche Verwaltungsgesellschaft für Investmentfonds GmbH, Frankfurt – which managed total assets of DM 34.05 billion at the end of 1998 – (...)". [356]

In parallel with the trend towards consolidation in the economy and the usual marketing strategies of offering customers ever more 'packages', the church-affiliated banks also operate within a financial network described as:

[356] Pax-Bank eG: *Report on the 1998 Financial Year*, p. 17.

'Our partners – your partners': HKD Handels-Gesellschaft für Kirche und Diakonie GmbH, Bruderhilfe-Familienfürsorge Versicherer im Raum der Kirchen, Bausparkasse Schwäbisch Hall, Bruderhilfe e.V., Automobil- und Verkehrssicherheits-Club, Deutsche Genossenschafts-Hypothekenbank, Union Investment.[357]

The Evangelische Kreditgenossenschaft Kassel (EKK) lists as "partners": Union Investment, DG Capital, Schwäbisch Hall, Bruderhilfe, Pax-Familienfürsorge, the German Bible Society, Diakonisches Werk, GZ-Bank, Unico Financial Services S.A. and the Protestant Church in Germany.

[357] Evangelische Darlehnsgenossenschaft eG, promotional folder imprint, (1999).

13. Insurance

Historical Development and Strategies / Individual Insurance Companies / Affiliated Companies / Organisational Network / Structure of investments

One might think that insurance contradicts the certainty of faith in God and His providential protection, at least for a God-fearing Christian. As late as the 19th century, some pastors had opposed the establishment of fire insurance companies, 'because this deprives God of a means of punishing people'.[358] Theologically very interesting, certainly, but somewhat detached from reality; or to put it another way, surely it is precisely those who have the most to fear from God's wrath who would then need to take out particularly high levels of cover?

Today, such views no longer hold sway, for insurance companies are excellent repositories of capital. Whilst bank deposits can be withdrawn at notice, the situation is more favourable with life insurance, as not all policyholders will die at the same time, and even more profitable with property insurers, unless we are talking about motor insurance, which has been embroiled in a virtually ruinous price war for several years, no longer covers its costs and is unable to build up new reserves.

Whilst banks can limit themselves to a manageable number of institutional clients, each of whom moves several hundred million marks per year, and have thereby established themselves within the demarcated 'reserves' of an institutional denominational framework, where church taxes and public subsidies flow into the accounts 'as if by themselves', insurance companies face a far more difficult situation. Restricting themselves to the approximately 80,000 legal entities in the denominational sectors would be nonsensical. What should they insure themselves against? Public liability insurance and buildings insurance might be considered, but nothing more.

Insurance companies aim to protect against the financial consequences of personal 'life risks' such as illness, death, accidents, and damage to one's own or third-party property; in other words, they target the individual, or, to put it another way, every single citizen – and that amounts to around sixty million people in Germany who are eligible for such cover.

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[358] Martens, *How Rich Is the Church?*, p. 133.

13.1. Historical development and strategies

In the post-war period, six distinct strategies have emerged to date regarding how faith-based insurance companies respond to this market (which has been open since 1 January 1996).

1. They continue to serve their traditional clientele and cooperate discreetly with selected partners until they are eventually forced to relinquish their independence (as in the case of Pax health insurance, for example).

2. One is and remains the most secretive of all insurance companies, working only with church organisations, yet expanding this institutional client base in a differentiated manner beyond the denominational sector; however, one conducts no public relations work aimed at the general public and is slowly coming under pressure, as the top dog begins to poach even on one's own turf (e.g. Ecclesia).

3. One forms alliances with like-minded partners and declares itself quite 'vocal' (meaning: advertising expenditure) as the 'top dog' among insurers for all employees and institutions 'within the church sphere' (e.g. Bruderhilfe / Familienfürsorge).

4. One operates under a neutral name, keeps to oneself, successfully and very innovatively expands one's denominational client base beyond traditional boundaries, and establishes 'satellite' companies linked to the main enterprise (e.g. Lebensversicherung von 1871).

5. They took advantage of the fact that during the Nazi era all denominational company names had to be changed, retained the neutral name, and eventually became part of a larger group or conglomerate (e.g. Kölnische Lebens- und Sachversicherung [Parion] or Volkshilfe [Aachener und Münchener]).

6. The public is left completely in the dark as to why these organisations are qualified to offer their services as 'partners' within the church sector, yet they vigorously promote themselves and are actively involved in sponsorship activities (such as HUK Coburg, for example).

13.2. Individual insurance companies

Let us now review individual insurance companies, starting with the (originally) Protestant sector.

- *Bruderhilfe* Sachversicherung (Kassel)

On 2 June 1926, 100 pastors who already owned a car at the time founded the "Pfarrer-Kraftfahrer-Vereinigung (P.K.V.) e.V." in Greiz as a mutual comprehensive motor insurance scheme, from which Bruderhilfe subsequently emerged.

- *Familienfürsorge Life Insurance* (Detmold) Founded on 13 February 1923 in Goslar as the "Evangelische Begräbnis-Unterstützungsvereinigung".
- *Familienfürsorge Health Insurance* (Düsseldorf) Established in 1924 as the "Health Insurance Fund of the Rhenish Pastors' Association", which was joined in subsequent years by further supplementary funds and subsequently operated under the name "Pfarrerkrankenkasse VaG".

The three originally independent companies have been part of the 'Versicherer im Raum der Kirchen Vertriebs-GmbH (VRK)' group since 1995; all three include this suffix in their names (Versicherer im Raum der Kirchen) and cover the entire spectrum of property, legal protection, life and health insurance. Through group insurance agreements, they aim to offer particularly affordable insurance cover.

The companies' area of operation extends to both Germany and abroad (branch in Vienna), and they see themselves as "companies for all those working full-time, part-time or on a voluntary basis within the sphere of the Church, Diakonie and Caritas, for ecclesiastical, missionary and diaconal bodies, associations and other legal entities, as well as ecclesiastical authorities."[359]

For *Bruderhilfe / Familienfürsorge*, the number of insured persons amounts to more than 500,000, and more than 3.8 billion DM has been profitably invested:[360]

A typical feature is cooperation with insurance companies and banks from both denominational sectors to supplement or underpin their own offering.
Bruderhilfe Sachversicherung operates four further companies outside the equal-status group with Familienfürsorge, one of which is *Bruderhilfe Vermittlungsgesellschaft für Versicherungen und Finanzdienstleistungen mbH*. This company "brokers the insurance business which Bruderhilfe Sachversicherung does not conduct itself to affiliated companies."[361] In this context, there is, among other things, a

- cooperation agreement with *Ecclesia Versicherungsdienst*,
- brokerage agreements with *Gothaer Versicherungsbank AG* *Gothaer Allgemeine Versicherungs-AG* and *Erste Allgemeine Versicherungs AG.*
- Agreements with *Assicurazioni Generali AG* in Munich regarding

[359] Bruderhilfe Sachversicherung im Raum der Kirchen: *Annual Report 1998*, p. 39.
[360] http://www.bruderhilfe.de/hauptbereiche/informieren/daten
[361] Bruderhilfe Sachversicherung im Raum der Kirchen, *Annual Report 1998*, pp. 40–41.

Claims settlement in motor third-party liability, technical insurance and construction insurance.

- Bruderhilfe's principal bank is the *Evangelische Kreditgenossenschaft eG (EKK)* in Kassel.

- *HUK-Coburg* (Liability Support Fund for Motorised Civil Servants of Germany a. G. in Coburg. Mutual Insurance Association.)

Originally, HUK-Coburg was a 'subsidiary' of Bruderhilfe. The motor insurance for pastors was limited to comprehensive cover, and when teachers also wished to join, they had to be refused, partly due to the church membership restriction; consequently, Bruderhilfe founded HUK-Coburg in 1933 as a liability insurance provider for pastors and teachers. After the war, it became the motor insurance provider for the public sector. Since Bruderhilfe has been operating its own liability insurance schemes, the two have gone their separate ways and fierce 'competition' is now the order of the day, as both – Bruderhilfe in its entirety and HUK-Coburg as a traditional segment – are vying for the same church-based clientele. It has not been possible to ascertain to what extent these segments are still represented at HUK-Coburg today, but there is a separate 'department' for church services.

The *HUK-Coburg Insurance Group* has a share capital/equity (1998) of DM 2.5 billion and investments of DM 19.2 billion.

It is characteristic of this competitive situation that HUK-Coburg, on the basis of its 'long-standing connections to the Church, Caritas and Diakonie'[362], has established a *social innovation* award [363](with prize money of DM 25,000), which is awarded to the 'most innovative social project within the Church'[364, 365] Advertisements are placed in various church newspapers: "As an employee of the Church, Caritas and Diakonie, take advantage of HUK-Coburg's favourable premiums for a retirement in financial security." Similarly, the exhibition "Faith. Treasures of Northern Elbe 800–2000" (April to June 2000 in Kiel) was sponsored by HUK-Coburg (for advertising and a school competition) and the Protestant Loan Cooperative (catalogue), and HUK-Coburg is a shareholder in the Protestant radio station *Paradiso*.

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[362] Kurt Jaks, member of the Executive Board of the HUK-Coburg Insurance Group, in: http://www.sozialpreis.de
[363] The 't' is drawn in the shape of a large cross.
[364] Advertisement in: *Deutsches Allgemeines Sonntagsblatt*, 3 September 1999, p. 23.
[365] http://www.sozialpreis99.de

- *Ecclesia Versicherungsdienst GmbH*

Founded in Detmold in 1909, it is one of the oldest insurance companies in the Protestant sector. As a self-help organisation of the Church and Inner Mission, Ecclesia acts as a central office and insurance broker in the Protestant and diaconal/charitable sectors and specialises in insurance for church institutions.[366] Around 20,000 institutions in the church and charitable sectors are insured with or through Ecclesia.

The shareholders are the EKD, the Diakonisches Werk der Evangelischen Kirche in Deutschland e.V. and the Deutscher Caritasverband e.V. As this denominational affiliation imposed restrictions, *Union Versicherungsdienst GmbH* was founded in 1961 (also in Detmold, with the same managing directors), which serves the institutions of the Paritätischer Wohlfahrtsverband.[367] *Ecclesia* and *Union* are the leading companies within the *Ecclesia Group*, which also comprises a further eight insurance brokerage and consultancy firms, as well as two pension funds.

Ecclesia does not publish any figures, not even the key figures customary in the industry. Its investment portfolio could only be estimated upwards on the basis of a stated loss ratio: 1.2 billion. [368]

- *Kirchliche Versorgungskasse VVaG (VERKA) in Berlin*

Founded in 1924, it offered an occupational (supplementary) pension scheme for employees of the Protestant Church and Diakonie fifty years before such schemes became available in the Catholic sector.[369] Investments amount to DM 2,625,839,197 and equity capital stands at DM 10,659,634 (a total of DM 2,636,498,831).

Whilst insurance companies in the Protestant sector have remained true to their roots, **Catholic insurance** companies have primarily taken a different path.

- The former *Kölnische Lebensversicherung* is now part of *Berlin-Kölnische Versicherungen*, which in turn is part of the Parion Group. Founded in 1895, following Pope Leo XIII's encyclical 'Rerum novarum', as *Central-Sterbekasse Leo*,

[366] http://www.ecclesia.de

[367] http://www.union-verdi.de

[368] Ecclesia Versicherungsdienst GmbH: *Information Service 2/2000*, p. 9: Claims payments: DM 350 million. Based on the claims ratio of the Provincial Fire Insurance (62%) – industry average 57.1% – gross premiums written can be estimated at approximately DM 565 million. This would place Ecclesia between 11th and 13th in the ranking of fire and property insurers, whose average investment portfolio amounts to DM 1.194 billion. (cf. Annual Report of the Federal Insurance Supervisory Authority)

[369] VERKA, Kirchliche Versorgungskasse VVaG: *Annual Report 1999*, pp. 18–19

it was first known as *Leo Volksversicherungsbank* and then, under political pressure (1937), as "Kölnische". In 1959, it took over the insurance portfolio of the troubled *Katholische Hilfswerk Lebensversicherung*. As early as 1953, it restructured the Kirchliche Versicherungsverein gegen Haftpflicht a.G. (founded in 1899) and established the

- (formerly) *Kölnische Sachversicherung*, a 90 per cent subsidiary, known since 1998 as *Asstel Sachversicherung*.

In the year of the merger of Kölnische Lebensversicherung and Berliner Verein Lebensversicherung to form Berlin-Kölnische Lebensversicherung (known as *Asstel Lebensversicherung* since 1998), the ratio between the two VVaGs in terms of their respective balance sheet totals was 6.5 : 1 (Kölnische: DM 1,974,534,000; Berliner Verein: DM 305,706,000).[370] Accordingly, 86 per cent of the new company is attributable to Kölnische and thus to the Catholic sector.

- *Life Insurance Company of 1871 a. G. Munich*

Founded in 1871 as *the Christ-Catholic Funeral Association*, it operated until 1969 as *Münchener Begräbnis- und Lebensversicherung a.G.* It is claimed that (in 1968) 49.2 per cent of its capital was held by the Italian *Riunione* Adriatica Group, which is said to fall within the Vatican's sphere of influence.[371] An unsubstantiated claim, however, which is also difficult to verify in the case of a mutual insurance company.

1998: "LV 1871 exceeds 10 billion in assets".[372] 1999: Awarded the Innovation Prize by the business magazine *Capital*. LV 1871 is the sole shareholder of *Delta Direct Lebensversicherung AG* and *Trias (Unfall-)Versicherung AG*. *Lebensversicherung von 1871 a.G. Munich* (1999)[373]

Investments	DM	3,328,730,514
Equity	DM	81,500,000
Delta Direkt Lebensversicherung AG: Investments	DM	44,000,989
Equity	DM	34,810,519
TRIAS Versicherungs AG: Investments	DM	5,000,000
Equity	DM	3,955,897
Total	*DM*	*3,497,997,919*

- The former *Volkshilfe Lebensversicherung AG* is the clearest example of the disappearance of a visible denominational affiliation. Originating from the organisation founded primarily by the German insurance centre of the

[370] See Federal Insurance Supervisory Authority: *Annual Report 1998*, Berlin 1999, Part B, Table 100.
[371] See Martens, *How Rich Is the Church?*, p. 141
[372] http://www.lv1871.de/Lebenslauf/lebenslauf_1998.htm
[373] Lebensversicherung von 1871 a.G. Munich: *Annual Report 1999*, pp. 18–19.

Catholic Welfare and Cultural Care Association, supported by Caritasverband e.V., which between 1926 and 1929 built up a substantial insurance portfolio for Atlas Lebensversicherung under the name 'Caritas-Vorsorge', then founded 'Katholische Volkshilfe' in 1929 and subsequently took over the small-scale life insurance portfolio of Atlas-Versicherung. In 1938, on the orders of the Nazis, it was forced to remove "Katholisch" from its company name and operated solely as "Volkshilfe". In 1970, it (as the larger company) merged with Aachener und Münchener to form *Volkshilfe Aachener und Münchener Lebensversicherung*, until it disappeared completely from the company name in the mid-1970s.

Following the 1970 merger, *Aachener und Münchener Versicherung AG* embarked on a 'shopping spree' (acquiring stakes in or taking over: Badenia Bausparkasse, Central Krankenversicherung, CosmosDirect Versicherung, Blumenauer Immobilien, AdvoCard, Volksfürsorge), until it itself was acquired in 1998 by *Assicurazioni Generali*, which is also considered to fall within the Vatican's sphere of influence.

At the time of the merger with *Aachener und Münchener Lebensversicherung* (July 1970), the ratio of capital stock between Volkshilfe (DM 1,014,896,000) and Aachener und Münchener Lebensversicherung (DM 412,400,000), a ratio which also corresponded to the premiums earned, was 71 : 29.[374] Accordingly, 71 per cent of the capital investments of Aachener und Münchener Lebensversicherung (which continues to have its registered office in Aachen) are attributable to the Catholic sector: DM 18,462,130,000.

- *Pax Health Insurance Fund within the Catholic Church – Mutual Insurance Association*, Cologne

Founded in 1882 by 24 Catholic priests as *a priests' association to support seriously ill members*, the association renamed itself *the Pax Health Insurance Fund of Catholic Priests of Germany* in 1924 and has operated under its current name since July 1997 to make it clear that membership is not restricted to members of the clergy. It states that "any person who works for the Catholic Church or in institutions associated with it, whether on a full-time, part-time or voluntary basis, may take out insurance with it".[375] The investment portfolio of the *Pax Health Insurance Fund within the Catholic Church* amounted to (1998) DM 214,364,000 and its equity capital

[374] Federal Supervisory Office for Insurance and Building Societies, Berlin: *Annual Report 1970*, Berlin, 1971, Table 36.

[375] http://www.pax-kranken.com

amounted to DM 10,750,000. (Total: DM 225,114,000.)

In May 2000, it was decided to merge Pax with Familienfürsorge Krankenversicherung retroactively from 1 January 2000 to form *Pax-Familienfürsorge Krankenversicherung*. This makes it clear that a policyholder base of 68,214 tariff-based policyholders is no longer sufficiently competitive in the current insurance market.

- *Church Supplementary Pension Fund of the Association of German Dioceses, a public-law institution* (KZVK) in Cologne.

This supplementary pension fund was founded in 1976 and sees itself as 'your strong partner for supplementary pension provision'. Insured persons (Feb 2000): 664,831, of whom 350,303 are compulsorily insured and 314,528 are non-contributory (former) insured persons.

Half of all insured persons, employed by around 45,000 employers, work in healthcare. The further figures for nurseries, care homes, etc. also point to the 'Caritas Group' outside the established Church.

Overview 124: Portfolio of holdings at the KZVK (2/1999)

Institutions	*Number of insured.*
Hospitals	175,787
(Arch)dioceses, parishes, church foundations	43,650
Caritas associations, church-run social institutions	43,510
Various church-related and social institutions	38,041
Care homes, facilities for the elderly	33,609
Nurseries, children's homes, youth facilities	22,345
Monasteries, religious orders, religious communities	5,846
Schools, educational institutions, conference centres	5,270 .
Total	*368,058*

Based on the large number of insured persons, the KZVK has set aside corresponding capital investments of 13,245.7 million.[376] (Excluding provisions for future benefits, which amount to a further DM 13.5 billion.)

13.3. Conclusion

Insurance schemes can only be classified as falling within the 'sphere of the Church' in the case of Bruderhilfe/Familienfürsorge, Ecclesia, Lebensversicherung von 1871, Kirchliche Versorgungskasse (VERKA) and the Kirchliche Supplementary Pension Fund of the Dioceses of Germany (KZVK).

[376] See *the KZVK's Eighteenth Annual Report for the 1998 financial year*, p. 7.

All other insurance companies are valued only at their respective merger share.

In the case of insurance companies that are not clearly church-affiliated – such as HUK-Coburg – it is fair to say that nothing should be allocated at all.

So, if we summarise what has now accumulated in the accounts of the 'capital collection points' (insurance companies), they reach a total volume of around 49 billion.

Overview 125: Investments + Equity of church and church-affiliated insurance companies (1998/99)

Protestant insurance company:	*Investments + equity*
Bruderhilfe Property Insurance	300,668,606
Familienfürsorge Health Insurance	324,780,140
Family Welfare Life Insurance	3,316,566,858
Ecclesia Insurance Services Ltd	(1,194,000,000)
Church Pension Fund (VERKA)	2,636,498,831
Total Protestant insurance companies Catholic:	*7,772,514,435*
Berlin-Cologne Health Insurance (86%)	1,814,688,580
Asstel Life Insurance (86%)	3,420,220,000
Lebensversicherung von 1871 a.G.	3,497,997,919
Aachener und Münchener Lebensversicherung (71%)	18,462,130,000
Liga Health Insurance	86,523,000
Pax Health Insurance	225,114,000
Pax Life Insurance	228,000,000
Church Supplementary Pension Fund (KZVK)	13,245,700,000
Total Catholic Insurance	*40,980,373,499*
Total	48,752,887,934

Source: Figures based on individual annual reports and data from the annual report of the Federal Insurance Supervisory Authority, 1998.

Compared to the visible deposits at the church banks, the Protestant church banks had more capital deposits than the Catholic banks. In the case of insurance companies, the situation is the reverse: the DM 41 billion in investments and equity capital of the Catholic insurance companies and funds is contrasted by only DM 8 billion from the Protestant sector.

Even though this total of 49 billion represents only 3.3 per cent of the capital investments of all German insurance companies (DM 1,465,507,000,000 or 1.47 trillion), this order of magnitude – with the exception of the insurance giant *Allianz* – exceeds the volume of the major players in the market, such as *Deutscher Herold, DBV Winterthur, Gerling, R+V* or *Axa Colonia*.

A breakdown by insurance sector shows that church-affiliated insurers are predominantly in the upper mid-range of their respective sectors.

Overview 126: Rankings of insurance companies within the church sector

Insurance sector	*Company*	*Rank of*	*total*
Life	(Aachener und Münchener)	5	123
	Family welfare	59	123
	Life insurance of 1871	60	123
	Asstel Life Insurance	62	123
	Pax Life Insurance	110	123.
Illness	(Berlin-Cologne Medical Association)	15	57
	Family Welfare Association	30	57
	Pax health insurance	34	57
	League KV	39	57 .
Damage/Accident	Mutual Aid	75	271 .
Pension Funds	Church Pension Fund	9	142 .

Source: Federal Insurance Supervisory Authority: 'Annual Report 1998', Tables 160, 260, 460, 560.

In addition to these institutional legal entities, it is also worth at least mentioning two further aspects.

13.4. "Friendly" -affiliated companies

Here, "affiliated" refers to personal connections via shared members on the supervisory board, executive board or advisory board. Examples:

The Advisory Board of *Bruderhilfe Sachversicherung* includes (1998), alongside church representatives (church offices, the Salvation Army, heads of religious orders), the director of the Evangelische Kreditgenossenschaft eG, a member of the executive board of the Savings and Credit Bank of the Protestant Church in Bavaria, the chairman of the executive board of the Darlehenskasse in the Archdiocese of Paderborn, and the chairman of the executive boards of Parion oHG and Parion Finanzholding AG, who also holds a further nine supervisory board and executive board positions at Gothaer and Berlin-Kölnische Versicherungen.

A member of the supervisory board of *Lebensversicherung von 1871 a.G.* is also chairman of the supervisory board of the HUK-Coburg Insurance Group, as well as a member of the supervisory board at TRIAS Versicherung AG (Munich), Berlinische Lebensversicherung (Wiesbaden) and Delta Direkt Lebensversicherung AG (Munich).

These details and the aforementioned cooperative relationships form a corporate group which, in addition to the listed church-affiliated insurers, includes the industry giants *Aachener and Münchener Group,* as well as *Gothaer Versicherungen* and *HUK-Coburg*.

13.5. Organisational network

In addition to the contractually agreed cooperation in the joint sales force of several insurance companies, there is a special network with regard to the pension funds. All church pension funds are members of *the Arbeitsgemeinschaft kommunale und kirchliche Altersversorgung e.V.* (Working Group for Municipal and Church Pension Provision), under whose umbrella 32 supplementary pension schemes from the public and church sectors have come together.[377] This covers 80 per cent of employees in the public and church sectors in Germany.

The purpose of the association is to facilitate the transfer of pension entitlements. All municipal and church-affiliated organisations are 'permeable' in both directions, meaning that employees in the church sector can transfer to the public sector without any detriment to their pension provision, and vice versa.

13.6. Structure of the Investments

The assumption that the investments of insurance companies and the deposits of church banks overlap, i.e. that the banks' capital assets would have to be significantly reduced to avoid double counting, cannot generally be confirmed.

Overview 127: Structure of the investments of German insurance companies subject to federal supervision (1998)

Type of investment	*Millions*	*%*
Land, buildings	54,756	3.7
Shares in associated companies	106,976	7.3
Loans to associated companies	8,240	0.6
Equity investments	17,971	1.2
Loans to companies / equity investments	5,905	0.4
Shares	56,142	3.8
Investment units	258,058	17.6
Other non-fixed-income securities	10,703	0.7
Bearer bonds / fixed-income securities	180,486	12.3
Mortgages, land charges and similar receivables	126,962	8.7
Registered bonds	379,018	25.9
Promissory note claims / Loans	223,130	15.2
Loans and advance payments on insurance	9,906	0.7
Other loans	6,933	0.5
Deposits with credit institutions	15,903	1.1
Other investments	4,418	0.3
Total investments	1,465,507	100

Source: Federal Insurance Supervisory Authority: Annual Report 1998, Table 040

[377] http://www.aka-altersversorgung.de

The overview provided by the Federal Insurance Supervisory Authority in Berlin indicates that, in terms of the composition of investments across all insurance sectors, there is a preference for investments offering secure and high returns, and these do *not* include deposits with banks. Only 1.1 per cent of insurance companies' investments are held with credit institutions.

These figures relate to a summary of 677 companies with total investments of 1.47 trillion. As this 1.1 per cent in deposits with credit institutions represents a monetary value of just under 16 billion, a 'cross-check' is necessary.

Overview 128: Structure of the investments of individual church-affiliated and church-related insurance companies (1998/1999)

Type of investment	*Bruderhilfe*		*Familienfürsorge KV*		*LV 1871*	
	TDM	*%*	*TDM*	*%*	*TDM*	*%.*
Land, buildings	34,384	*13.9*	281	*0.1*	269,055	*8.1*
Shares in other companies	18,650	*7.5*	9,414	*3.0*	32,971	*1.0*
Investments	3,050	*1*	75	*0.0*	-	
Shares / Investment funds	33,570	*13.6*	17,098	*5.5*	1,593,216	*47.9*
Fixed-income securities	35,131	*14.2*	105,870	*33.8*	-	
Mortgages and similar					317,550	*9.6*
Other debt securities	48,615	*19.5*	102,798	*32.8*	1,063,093	*31.9*
Loans	23,000	*9.3*	42,649	*13.6*	4,649	*0.1*
Prepayments on insurance					17,698	*0.5*
Deposits with credit institutions	37,731	*15.3*	35,000	*11.2*	20,000	*0.6*
Other investments	13,428	*5.4*	45	*0.0*	10,500	*0.3*
Total investments	247,559,	*,100*	313,230	*100*	*3*,328,732	

Source: Annual reports / annual accounts of insurance companies

The average figure of 1.1 per cent cannot be generalised, as Bruderhilfe holds 15 per cent, Familienfürsorge Krankenversicherung 11 per cent and Lebensversicherung von 1871 only 0.6 per cent of their investments as deposits with credit institutions.

The bulk of insurance companies' investments, however, clearly lies in shares/investment fund units and bearer and registered bonds, so that any potential overlap with cash deposits at church banks is to be regarded as marginal.

14. Monastery brews and Bishop's wine

Beer and monastery breweries / spirits / wine

Having dealt with rather dry subject matter in the previous chapters, things are now set to become a little more pleasant and wetter. Not only is the Earth a water planet, but humans also consist of around 80 per cent water. As is well known, water evaporates; in humans, this is called sweating, and so we must constantly replenish our fluids to maintain our fluid levels. If humans were created in the image of God, ...? Who knows – but thanks to the divine plan of creation, humans are now, for better or worse, constantly thirsty.

14.1. Beer and monastery breweries

The pot-bellied monks – who adorn colourful advertising posters as well as bottle labels and beer mugs – are part of Germany's cultural heritage, and there are several varieties of 'Klosterbräu'.

Historically speaking, it was originally intended primarily as a high-calorie substitute during periods of fasting. Hence the beer's designation as 'liquid bread'. Originating in the Middle Ages, when everything was strictly regulated, a special privilege from the prince, the city council, or whoever was authorised to grant permission (and received a commission for doing so) was required to brew beer.

Those authorised to brew kept a jealous watch to ensure that no competition spread within their distribution area. In other words: brewing beer meant hard cash. For the monasteries, this was of fundamental importance, as the monks had to earn their own living. Clearly, the profits were substantial, or is it a coincidence that the monastery buildings and churches of the brewing orders (predominantly Benedictines) turned out to be particularly magnificent, such as Ettal Abbey?

Even though today the monks no longer light the wood fire beneath the brewing kettle and no special privilege is required to brew beer, the monastery breweries still exist.

'Paulaner' and 'Salvator', whose names suggest church ownership, fell to the princes during 'secularisation' and were thus removed from church own-

ership. (Today, bothbreweries are subsidiaries of Bayerische BrauHolding AG, which belongs to the Schörghuber Group.)

Weihenstephan ('Oldest brewery in the world' [378]and formerly a Benedictine monastery) is today the 'Bavarian State Brewery', i.e. owned by the Free State of Bavaria. (Annual production: 200,000 hectolitres.)

The *Fulda Bishopric Brewery* was purchased by the Prince-Bishop of Fulda from a private individual as early as 1791, and the *DOM Brewery* in Cologne is a name that evokes local colour and has nothing to do with the Cologne Cathedral Chapter.

Of the 1,277 breweries in Germany, 1,060 produce less than 50,000 hectolitres a year. Two-thirds of the beer output of 112.3 million hectolitres (1999) is produced by 15 brewery groups and independent breweries.

The following are marketed as 'Klosterbräu' (monastery brews):

- *Alpirsbacher Klosterbräu* in the Black Forest (6 beer varieties, 320,000 hectolitres, annual turnover DM 50 million), [379]
- *Klosterbrauerei Neuzelle* in Brandenburg (with 10 beer varieties), [380]
- *Irseer Klosterbräu* in the Allgäu,
- *Klosterbräu Bamberg* (10 types of beer),
- *Eschweger Klosterbräu.*

These breweries all have one thing in common: they are not monastery breweries. They are privately owned.

So if you think this amounts to false labelling, then you are in agreement with the prior of the Benedictine monastery of Andechs, who took legal action against the establishment of a 'monastery brewery' (1993) on a greenfield site in Dargun (Mecklenburg-Western Pomerania) by a Danish conglomerate. "In the landmark case, the Benedictine monks of Andechs and their fellow monks from Ettal Abbey received confirmation from the highest court that not just any brewery may label its beer with the name 'Kloster' or any other religious term."[381]The Hamburg Higher Regional Court had ruled (in 1997) that the term was only permissible for a privately owned brewery "which can trace an unbroken line of tradition back to a former monastic operation". This designation is also inadmissible for 'revived' monastery operations where the monastic tradition had been 'sustainedly interrupted'.[382]

[378]http://www.brauerei-weihenstephan.de
[379] http://www.deutsche-brau-kooperation.de/alpirs.htm and http://www.alpirsbacher.de
[380]http://www.neuzeller-bier.de
[381] http://www.eschwege.de (Werra-Rundschau, 26 November 1997)
[382]http://www.mainz-online.de/on/97/11/18/topnews/kloster.html

Father Bilgri, the Benedictine prior of Andechs Abbey, has already set his sights on further 'black sheep' among the breweries with a fighting spirit. The Alpirsbach and Eschwege breweries dismiss the claims: they have an unbroken family tradition or sufficient evidence to show that they have maintained the abbey's standards since taking over the abbey breweries.

The prior is well aware of the good name of 'Klosterbräu' and is defending the monasteries' market share. To emphasise their special market position, the bottle labels of Andechs beer bear a purple, registered trademark: Q®, surrounded by the word 'Ordensqualität'.

Whilst Catholic religious orders still owned and operated seventeen monastery breweries in Bavaria thirty years ago (1969)[383], by 1999 only five of the seven church-run breweries remained.

- *Andechs Monastery Brewery* in Erling-Andechs above Starnberg near Munich. The best-known 'genuine' monastery brewery. (7 beers)
- *Ettal Monastery Brewery* (which also produces spirits),
- *Weltenburg Abbey Brewery* GmbH (7 beers). [384] Leased to the episcopal brewery Bischofshof.
- Kreuzberg/Rhön *Monastery Brewery*. Franciscans have been brewing there since 1731.
- *Mallersdorf Abbey Brewery* (Lower Bavaria). Since 1881, the 'Poor School Sisters' (Benedictine nuns) have been brewing their own beer for their own use and for sale.

Two breweries are owned by Catholic dioceses:

- *Hacklbräu Brewery* in Hacklberg, near Passau. Until 1803 known as the 'Hochfürstli-Brewery', then the 'Royal Brewery', privately owned from 1849, and back in the bishop's possession since 1897. (11 beers) In 1970, the Dirr Brewery near Burgheim was taken over, followed by the brewery in Fürsteneck in 1979. In 1981, the Bräustüberl opened, boasting the largest beer garden in Passau. [385]
- *Bischofshof Brewery* (Regensburg). A (diocesan) public foundation public law, whose purpose is to support the training of young priests in the Diocese of Regensburg. It has existed since 1649, was secularised in 1810 and reacquired by the Church in 1852. Brewing has continued uninterrupted ever since.

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[383] Cf. Martens, *How Rich Is the Church?*, pp. 142–143. However, this figure appears to be questionable, as it is possible that all 'monastic breweries' were included.

[384] http://www.breworld.com/weltenburg

[385] http://www.hacklberg.de

Church ownership of breweries has declined significantly over the past few decades. One of the reasons for this is likely to be the acute shortage of new recruits in monastic orders.

This, in turn, raises the question of whether, for example, the Andechs Monastery Brewery is still a monastery brewery at all. In 1968, the last two monks who were actively working as master brewers died. Today, the beer is produced exclusively by commercial workers who, although under the monastery's economic management, have no further involvement in the brewing process (see *'Religious Orders'* for further details).

The Weltenburg monastery brewery has also been leased out by the Benedictines. Is it still a monastery brewery, then?

Turnover figures can be calculated fairly accurately based on production volume. In Germany, a hectolitre of beer costs an average of 162 marks ex-brewery.[386] Church-owned breweries have a total output of 556,000 hectolitres, which corresponds to a turnover of around 90 million marks.

Overview 129: Turnover of church-owned breweries (1998/1999)

Brewery	*Output/hectolitre*	*Turnover/DM .*
Andechs Monastery	90,000	14,580,000
Ettal Abbey	15,000	2,430,000
Weltenburg Abbey	30,000	4,860,000
Kreuzberg Abbey	6,000	972,000
Mallersdorf Monastery	3,000	486,000
Hacklbräu	332,000	53,784,000
Bischofshof *)	(80,000)	(12,960,000)
Total	*(556,000)*	*(90,072,000)*

Sources: (hectolitres) Information provided by the breweries; (turnover) Own calculation (DM 162/hl)

**) Estimate (based on the number of employees), as the Bischöfliche Brauerei requested a written enquiry by telephone and then explicitly refused to provide any figures in writing.*

Furthermore, it may be assumed that these breweries, which (hopefully) operate as independent commercial enterprises, benefit from the tax concessions applicable to smaller breweries.[387]

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[386] According to the German Brewers' Association, the industry's total turnover in 1999 amounted to DM 18.3 billion, with a production volume of 112.8 million hectolitres. (See http://www.brauer-bund.de and the 'Statistics' section there)

[387] Under Section 2 of the Beer Tax Act 1993, all breweries with an output of less than 200,000 hl are granted tax relief in order to preserve the diversity of smaller breweries. See *Bundestag Paper 14/1500* (17th Subsidy Report), p. 163.

14.2. Schnapps

If you ever have an accident in the mountains or find yourself stuck in the snow, don't panic, because soon a large dog will appear – a St Bernard – carrying a small barrel of schnapps strapped around its neck, which it will use to refresh you.

With schnapps, then, it is not a matter of quenching a basic thirst, as with beer, but rather of special refreshment and invigoration. Naturally, this is more expensive than simply drinking.

Since every respectable monastery possessed a large fruit and herb garden and the monks were already experimenting with chemistry when others were not yet permitted to do so – gunpowder was first mixed in Europe by a monk – what could be more natural than to use the herbs not only for food and the fruit for dessert, but also to 'simmer' them a little, to taste and sample them and to brew schnapps – or rather, to distil brandy. There is no need here to distinguish between 'schnapps' and 'liqueur', as they do not differ in alcohol content and liqueur is, in short, schnapps 'enriched' with sugar or fruit juice.

As with the beers, it is mainly the Benedictines who produce liqueur – but now the Benedictine nuns do too.

- The most famous of these high-proof sweet treats are the *Klo-from Ettal* (available in any good spirits shop throughout Germany). Green or Yellow Liqueur (0.5 l / DM 22.90), Blueberry Liqueur (0.5 l / DM 21.50), Kloster Geist, Magenbitter, multipacks, gift packs, as well as Ettal liqueur balls.
- *Monastery liqueur from Chiemsee* (38%, available as monastery liqueur, semi-bitter and stomach bitters),
- *Pilgrim's Drops* from the Franconian Abbey of St. Walburg,
- *Pilgrim's Liqueur* from the Institute of the English Ladies in Altötting.

14.3. Wine

Whilst in the Protestant Church, during Communion, if at all, one sips commercially available wine – the trend in recent years has been towards red (non-alcoholic) grape juice – Catholic priests prefer something more exclusive: the Archdiocese of Hamburg "sources its sacramental wine from a select few producers sworn in as sacramental wine suppliers. (...). This is a naturally pure, specially designated white wine that may not be sold for any other purpose."[388]

[388] *Hamburger Abendblatt*, (supplement *Die Kirchen*, September to December 1999, p. 10.)

When asked what wine the Archbishop of Hamburg drinks during the Eucharist in the cathedral, the cathedral verger replied: "Just a year ago, we were still using 'Samos Muscat' from Greece as our sacramental wine, at 14.50 marks a bottle. Because the price had gone up, we have now opted for Mass wine No. 7 'Valencia Muscat' from Spain. The bottle costs just 9.50 marks."[389]

This cost-consciousness suggests corresponding volumes, and it is astonishing that in this market segment there is evidently a sharp division, i.e. hardly any cooperation between church producers and church consumers.

Viticulture belongs(ed) to the traditional domains of the Church and the monasteries and has been documented for earlier monasteries as far back as the 10th century. Although most vineyards were lost to the princes in 1803, the names still used today for the sites (i.e. the vineyards/vine-growing areas) refer to their original owners: Piesporter Domherr, Graacher Dompropst, Graacher Himmelreich, Wehlener Klosterberg, Winkeler Jesuitengarten, Rüdesheimer Bischofsberg, and so on. This alone indicates that we are still – though not exclusively – operating within the Catholic sector.

The most famous state-owned vineyards in Germany today were owned by the Church until their expropriation. The 'Staatliche Hofkeller' at the Würzburg Residence (a Bavarian state estate since 1814) belonged to the Prince-Bishops of Würzburg, and the Hessian state estate, 'one of the greatest wine-growing enterprises in the world', already hints in its name at who it once belonged to: the state vineyards of Eberbach Abbey. But it was not only the princes who took over the church-owned vineyards; the city of Frankfurt, for example, also secularised the vineyards of the Carmelite monastery and the Dominican monastery in Frankfurt in 1803. (To this day, the city still pays endowments to the church parishes.)

Six notable vineyards are currently in Catholic ownership – apart from small plots belonging to a parish and not listed separately in 'Großer Johnson'.[390]

- The vineyard belonging to the *parish church of Leiwen* / Bernkastel (6 ha), that belonging to the
  Catholic parish,
- the vineyard of the *Cusanus Foundation / St. Nicholas Hospital* in Bernkastel-Kues (8 ha) – a foundation established by the theologian and scholar Cardinal Nikolaus von Kues and his brothers (in the 15th century),

[389] *Hamburger Abendblatt*, (supplement *Die Kirchen*, September to December 1999, p. 23.)
[390] *The Great Johnson.* The New Encyclopaedia of Wines, Wine-growing Regions and Wine Producers of the World, Bern and Stuttgart: Hallwag, [9] 1995, p. 255 ff.

- the *United Hospices* in Trier (54 ha) – one of Trier's major charitable institutions with the oldest cellars in Germany,
- the *Episcopal Vineyards of Trier* (104 ha) – created in 1966 through the of three previously separate ecclesiastical estates: the estates of the seminary (34 ha), the cathedral (24 ha) and the Episcopal seminary (39 ha), as well as other church estates that have since been leased,
- the *Juliusspital* vineyard in Würzburg (161 ha) – founded in 1576 by Prince-Bishop Julius Echter von Mespelbrunn – today the third-largest vineyard in Germany,
- The *Rüdesheim Episcopal Winery* of the Diocese of Limburg (8 hectares). It not only produces wine for the market but also produces sacramental wine. In 1984, the diocese took over the vineyards from two Catholic parishes and, following the purchase of further vineyards in 1996, consolidated them into the Episcopal Winery.

With the exception of the parish's vineyard, the other five estates are foundations dating back to the 15th and 16th centuries which survived secularisation because, as foundations, they performed charitable functions. The United Hospices in Trier were even consolidated and established by Napoleon – who was certainly no friend of the Church – from various smaller institutions.

However, as a consolation for Protestant wine lovers, there are also, in addition to the smaller vineyards of Protestant parishes, two vineyards owned by the regional church:

- The vineyard of the *Protestant Church in Hesse-Nassau* in Oppenheim. Purchased by the regional church in the 1920s – the exact records were destroyed during the Second World War – it produces its own wine on 5 hectares and also serves as a winery for the surrounding parishes. For the 2001 Protestant Church Congress in Frankfurt, there was a 'Kirchentag sparkling wine', the 1998 Niersteiner Schloss-Schwabsburg.
- The vineyard of the *Protestant Church in the Rhineland* is leased out, as it was running at a loss and the regional church did not wish to pay any further subsidies.

With a 10-year average yield of 114 hl/ha[391] (ranging from 86 to 169 hl/year), these vineyards produce 39,444 hl (= 3,944,400 litres) across 346 hectares of vineyards – a quantity equivalent to 5.26 million 0.75-litre bottles.

[391] *Alles über WEIN* – Magazine for Wine Culture, Travel and Gastronomy, No. 1/2001, p. 44.

The Juliusspital and the Rüdesheim Episcopal Winery also sell their wines via direct sales on the internet; the Vereinigte Hospitien (August 2000) send out brochures 'to all households with daily post'.

The prices of the wines on offer range from DM 8.00 to DM 15.00, apart from very expensive varieties available in small quantities.

With an average selling price of DM 11.50, these wineries generate a turnover of around 61 million marks.

15. Retail businesses

Coffee, tea and fair trade / Devotional items / Souvenirs / Wholesale discounts / Further trade

"The Kingdom of God is not indifferent to world market prices!"
(Würzburg Synod, 1975)[392]

Although one cannot negotiate penance with a priest after confession, in other respects church organisations engage in more bargaining than the uninformed citizen might assume.

15.1. Coffee, tea ...and... Faire Trade

For a long time, Germany's self-styled 'alternative' youth still followed their parents' example in at least one habit: in the morning, there was a pot of coffee to wake them up.

Just as some 'revolutionary internationalists' ruined their stomachs in solidarity with the bitterly strong coffee from Nicaragua (which does not mean that their revolutionary zeal was lost as a result – perhaps quite the opposite), so the Christian-ecological internationalists developed a grassroots-oriented coffee trade.

This economic sector warrants closer examination because, unlike the secretive religious societies, it clearly demonstrates in public what economic activity on a Christian basis actually means when faced with competition or critical scrutiny.

It all began with grassroots church groups that came together in the fair trade shop movement. This progressive trade within the church sphere is then organised by *Gepa Fair Handelshaus mbh* (Gepa = Society for the Promotion of Partnership with the Third World). The founding members in 1975 were the *Church Development Service* (KED) of the Protestant Church in Germany, the Catholic Church's Episcopal Relief Organisation *Misereor*, the youth organisations of both churches, as well as the Association of Grassroots Groups of *the Third World Trade Action e.V*. and the *Working Group of Third World Shops e.V*.[393]

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[392] cited from http://www.misereor.de/Seite7.htm (Fair Trade)

[393] *Handelsblatt*, 16 August 1996, p. 14 (Gepa seeks new markets – 'Ethical prices' for affluent customers – Operating result still slightly negative).

"The church-run enterprise sees itself as Europe's largest fair trade organisation." *Gepa's* product range comprised 3,000 items in 1996, a figure that has since been reduced to 200 (1999)[394] . The coffee business is the main focus (60%), followed by tea, cocoa, chocolate, sugar, honey (26%) and handicrafts (14%).[395] In 1995, purchases were made in 41 developing countries for 26 million DM – *Gepa's* turnover was 53.9 million DM in 1995 and 56 million DM in 1998.

The main sales channels are One World shops (59%), followed by food retailers (12%), bulk buyers (11%), exports (11%), organic retailers and the mail-order business (7%).

After years of steady growth, Gepa recorded a loss for the first time in 1992/93. (Somehow, the 'Jesus sandals and dungarees mentality' had apparently passed its peak.) Staff were made redundant, social benefits suspended, the company restructured, an investment company founded, and the term 'fair' became widespread.

The Caritas Association in Constance, for example, launched a second-hand department store called 'Fairkauf' in 1998, to which various repair workshops are affiliated. 'The social project generates 38 per cent of its costs from the turnover of the businesses – and the trend is rising. The rest comes from funds provided by the employment office and the social welfare office.'[396]

At the 'One World Regional Conference Saxony 1999' in Dresden, speakers included representatives of *Fairkauf-Handelskontor e.G*. (Munich) and the *F.A.I.R.E Warenhandelsgenossenschaft e.G.*

"Fair Trade – the World Shops' Convention. [...] The Convention covers more aspects than just the purchasing conditions for raw materials, explain the spokespeople for the World Shops."[397] (As the knowledgeable 'insider' knows, this is aimed directly at the more successful competitors in the same market niche.)

A prime example of the 'Third World/One World Shops' type is the company *dritte-welt-partner*, which has been in existence since 1989. "Today we import over 1,000 fair trade handicrafts and around 100 food products."[398]

This commitment to fairness (whereby the English term itself indicates that it is a Protestant invention – Catholics would have taken from a Latin word -

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[394] *Süddeutsche Zeitung*, 17 November 1999, p. L5: (A clear conscience on the shelf. Tengelmann wants to promote fair trade products)

[395] Figures for 1995/96, cf. *Handelsblatt*, 16 August 1996, p. 14.

[396] *Deutsches Sonntagsblatt*, 2 October 1998: Innovation Prize I 'Land in Sight'.

[397] http://www.kath.de/bistum/mainz/mbn/mz960613.htm

[398] http://www.dwp-rv.de

is now producing the strangest results. For instance, a removal firm in Hamburg operates under the name 'Fair-Pack'; there is a 'FairMed', a 'Fairsicherungsladen' and the *'Aktion Hoffnung – Hilfe für die Mission*' (Hope Campaign – Aid for the *Mission*), which focuses in particular on collecting second-hand clothes as a source of income and refers to their sale as 'Fair-Wertung' [399]. The whole thing is also bearing its fraudulent fruits, with loan sharks calling themselves 'Fair-Finanz'.[400]

This conceptual 'fair' confusion originated with two organisations. The FAIRTRADE Association – correctly: *Fair Trade e.V. Association for the Promotion of Justice in World Trade* – a wholly-owned subsidiary of *Gepa,* based in Wuppertal, does not trade itself, but establishes contacts between producers and trading firms and has 'the task of seeking out new and interesting products for the fair trade market'.[401] In addition to traditional products, the range now includes footballs, marble, stainless steel, matches, chewing gum, etc.

Founded in 1994 by the members of *Gepa*, the FAIRTRADE Association is primarily funded by *Brot für die Welt* and *Misereor*, whose representatives, together with the association's managing director, form the board. Their work is carried out effectively and without fanfare.

This is to be distinguished from TRANSFAIR, the *Association for the Promotion of Fair Trade with the 'Third World' e.V.*, based in Cologne. The association does not trade itself either, but awards its (fee-based) 'seal of approval' for certified Fair Trade to companies that contractually commit to adhering to the relevant criteria. The association now has just under 40 member organisations, including, once again, *Brot für die Welt* and *Misereor*, as well as *Doctors for the Third World*, *German World Hunger Aid*, the *Kolping Society*, the *Friedrich Ebert Foundation*, the *Konrad Adenauer Foundation*, *terre des hommes*, *UNICEF*, and the *Economic Office of the Protestant Mission Societies*. The market strategy behind the TRANSFAIR seal is that coffee farmers in Asia, Central and South America are paid better prices by the trading companies required to sign the TRANSFAIR framework agreement than by their capitalist competitors.

The TRANSFAIR seal (whereby the very term 'seal' suggests a high degree of credibility for a mere 'sticker') is intended to ease the conscience of eco-conscious consumers and convey the good feeling that, by purchasing the sealed products, they are doing something for the environment and for people in need in developing countries.

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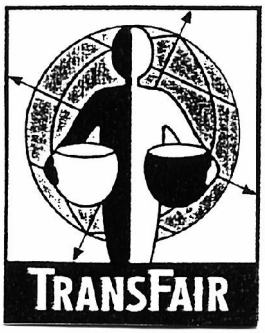
[399] see http://www.aktion-hoffnung.de ("Fair rating")
[400] **Hamburger Morgenpost**, 8 December 1999, p. 29.
[401] http://www.fairtrade.de/deutsch/aktueu4.html



This striking TRANSFAIR seal (whose black-and-white design is reminiscent of the yin and yang symbol) has just one 'flaw': Although it suggests as much, it does not actually mean that coffee, tea, etc. comes from organic farming, as the well-meaning consumer assumes and, for example, Antje Vollmer (MP, Alliance 90/The Greens) states: "TRANSFAIR offers an ideal opportunity to take action. For as consumers, we ourselves have the power, through our daily shopping, to change the social and environmental conditions of the (global) economy."[402]

As early as 1995, there had been fierce internal criticism – regarding the lack of ecological standards – when the Dutch Max Havelaar organisation and its German counterpart TRANSFAIR e.V. internationalised the scheme in 1992 (TRANSFAIRINTERNATIONAL) and were criticised by their US counterparts for precisely this very reason. The Americans demanded a 'super-label' (including ecology – or, to be more precise: organic farming). The Dutch-German duo, however, refused this, arguing that one could not expect the poor little coffee farmers to bear the burden of the conversion and costs of organic farming as well.[403] By 1999, internal resistance to ecological demands had grown even stronger, and the board of the TRANSFAIR association spoke of 'eco-colonialism' [!], claiming that 'we would be demanding ecologically flawless farming methods and products from producers in the "Third World"'.[404]

If there has ever been a case of false labelling within the church sector, it is here, in the truest sense of the word. The fact that this massively hinders private-sector coffee companies – which have very much recognised the issues of the day and have organic coffee grown at their own expense – is apparently irrelevant.

Instead of focusing on ecological/organic product certification, the emphasis shifted to product diversity, and the TRANSFAIR seal is now available not only for (fifty) types of coffee and tea, but also for

[402] http://www.transfair.org/tfair/freund.htm
[403] *der überblick*, quarterly journal of the Working Group of Church Development Services, 2/96 (June 1996), p. 105.
[404] http://www.transfair.org/tfair/oeko.htm

'fair trade' bananas, chocolate, honey, sweets and orange juice. Alongside many smaller firms, TRANSFAIR's retail partners increasingly include larger companies (Karstadt, Lekkerland, Darbo-ven, etc.) that are keen to cultivate a socially responsible image.

TRANSFAIR's intensive information campaigns – in a missionary spirit – certainly take some remarkable approaches. Whilst it had already become standard practice for the ladies of the church's senior citizens' group to visit a supermarket and politely point out to the manager that there were no goods bearing the TRANSFAIR seal on the shelves, and ask if he could perhaps remedy the situation, at the beginning of December 1999 urgent circulars (the postage paid for by the Misereor distribution company) were sent to all friends of TRANSFAIR, stating that the *plus* supermarket chain (the budget arm of the Tengelmann Group) had removed TRANSFAIR-labelled coffee from the shelves because it generated too little turnover, and that everyone should go to a plus store and speak to the manager... presumably not about the Christmas decorations.

So whilst they do help each other out (the *overseas services* sometimes offer a domestic contract – with financial support – for public relations work at TRANSFAIR, and *Brot für Welt* also promotes the seal in its adverts), overall the situation is characterised by competition amongst themselves.

Meanwhile, business has stagnated in the 750 Third World/One World shops, and *Gepa* is establishing new partnerships. One example is an open-ended cooperation with Otto Versand, which in its 1997 Christmas catalogue featured two pages of *Gepa* handicrafts for the first time and is said to have waived 20% of its margin on these items compared to similar products.[405]

Brot für die Welt operates under the motto "Organic products for fair trade" [406]and supports both the "BanaFair" association (Gelnhausen), which has been supplying more than 450 shops, schools and church communities with fair-trade bananas since 1988, and the "Flower Campaign". When TRANSFAIR also discovered certified banana trade in 1998, every effort was made to avoid a confrontation similar to that in Switzerland, where in 1996 the Dutch Max Havelaar organisation had a fierce dispute with *gebana* (Working Group for Fair Banana Trade), which had been trading in alternative bananas in Switzerland since the mid-1980s.[407]

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[405] *Handelsblatt*, 16 October 1997, p. 17.
[406] Brot für die Welt: *Annual Report 1998*, p. 19.
[407] epd (Protestant Press Service) – Development Policy 4/98, according to: http://www.epd.de/ep/1998/4glaser.html

Since then, the 'front lines' have become clearer: 'Alternative' trade (comprising some 750 *world shops* and around 6,000 action groups, as well as *Brot für die Welt*) maintains its ecological and political principles and adheres to 'alternative' distribution structures, whilst 'fair' trade (*Gepa, Misereor* and TRANSFAIR) utilises commercial distribution channels.

Given the shared aim of improving the working and living conditions of working people in developing countries, the difference in self-image between alternative and fair trade becomes more apparent when one looks at the TRANSFAIR annual accounts for 2000. This is not a small church-run 'One World' shop where friendly housewives and young people volunteer their time. The association's monthly rent costs amount to DM 5,790, the average gross salary (after deduction of employer contributions) is DM 6,400, DM 409,000 is spent on travel expenses, and finally DM 471,000 is spent on education and public relations. And the income?

Overview 130: TransFair Annual Accounts – Income 1998, 1999, 2000

Revenue	*1998*	*%*	*1999*	*%*	*2000*	*%*
Membership fees	30,600	*1.4%*	26,100	*1.3%*	31,600	*1.7%*
Government grants*)	470,532	***21.2%***	499,329	***25.5%***	604,277	***31.9%***
Licence revenue	1,656,328	***74.6%***	1,385,792	***70.6%***	1,171,939	***61.8%***
Donations	2,430	*0.1%*	5,682	*0.3%*	12,091	*0.6%*
Interest income	3,251	*0.1%*	2,587	*0.1%*	2,430	*0.1%*
Rental income	24,395	*1.1%*	41,864	*2.1%*	41,992	*2.2%*
Other revenue	32,991	*1.5%*	701	*0.0%*	32,486	*1.7%*
Total	2,220,527	*100%*	1,962,055	*99.9%*	1,986,815	*100%*

Source: TransFair e.V. Annual Report 1999, p. 17, Annual Report 2000, pp. 14–15.
**) According to information in the text, only 90% of the grants come from the state.*

An organisation that is three-quarters dependent on its licence fees from the TRANSFAIR label must vigorously promote 'fair labelling' commercially, particularly when (as in 1998) licence fees from the coffee label fall (from 83% to 74% of total licence fees).

Despite the upbeat marketing slogan 'Organic is booming', sales of 'certified' trade are falling and, accordingly – in absolute and relative terms – so are licence fees (74.6%, 70.6% and 61.8%). To compensate, inflows from the state 'tap' are rising (21.2%, 25.5% and 31.9%), so that licence fees and state subsidies always make up a combined total of around 95% of revenue.

On 16 May 2000, the programme FRONTAL (on ZDF) broadcast a report: 'Unfair deals via "Transfair" – Who benefits from trade with Third World

countries' trade." The journalist had driven 2,000 km through Ghana, spoken to cocoa farmers and visited TRANSFAIR's local partner organisation, the 'Kuapa Kokoo Farmers Trust'. The findings were devastating:

The farmers would not receive a penny more than usual. / For every sack of cocoa, TRANSFAIR receives 100 marks in licence fees, whilst the local farmers receive only 10 pfennigs. / The many funded direct development aid projects on the ground amounted to four wells, a communal toilet and a village soap kitchen. / Instead of promoting environmentally friendly cultivation, Ghana was spraying pesticides for all it was worth. Fungicides, pesticides and insecticides, including the carcinogenic lindane. / Without respiratory protection or protective clothing, the cocoa farmers work in the spray mist, which is destroying their lungs. / The scales at the 'Kuapa Kokoo' purchasing centre showed six kilos less than the actual weight. / 'Kuapa Kokoo' had stashed away the money owed to the farmers (almost 700,000 marks earning interest in the account). / In seven years, a TRANSFAIR auditor had visited Ghana a mere four times; last year he had spent three days there. [408]

In response to the brief television magazine report, alarm bells rang out in the religious sectors. TRANSFAIR, *Gepa*, the Diocesan Mission Director of the Diocese of Limburg and even the Peruvian small-scale coffee farmers' association CEPICAFÈ (apparently German television is available there via satellite) sent letters of protest to ZDF[409]. The gist: "In seven minutes, seven years of development work were called into question."

TRANSFAIR issued the following correction: The surplus revenue always goes to the cooperative, not the farmers. The cooperative decides independently what the revenue is used to finance. / TRANSFAIR does not receive 100 marks per sack of cocoa, but only the equivalent of around DM 32.50, and the smallholders do not receive a premium of 10 pfennigs, but of 25 pfennigs. / The claim regarding pesticide use is inaccurate. In six villages [what is being concealed: out of 275, ed.] the cocoa harvest has already been certified. / TRANSFAIR is not responsible for the monitoring, but rather, within the framework of FLO (Fairtrade Labelling Organizations International), an employee of the Swiss Max Havelaar Foundation, who regularly travels to West Africa. For this, TRANSFAIR paid DM
510,298 for this. / Moreover, all of this was sensationalist journalism, poorly researched, and who could say for certain whether the film footage showed the scales of the partner organisation?

In legal proceedings against ZDF, TRANSFAIR suffered defeats. But then a glossy 'special edition' arrived by post from TRANSFAIR in the home: "Special Edition:

[408] See http://www.zdf.msnbc.de/news/54559.asp (May 2000)
[409] See http://www.transfair.org/info/frontal.htm; http://www.gepa.org/frontal1.htm; http://www.kath.de/bistum/limburg/presse/2000/id00253.htm

Ecology and Fair Trade, June 2000" (The printing costs were covered by the Friedrich Ebert Foundation and the Church Development Service of the Protestant Churches in Germany) and the first sentence read: "TRANSFAIR is a social seal and not an organic label." Well, who would have thought it.

Since 1999, TRANSFAIR has been organisationally linked to the RUGMARK initiative against child labour in carpet production. RUGMARK revenue (2000): DM 2,463,385, of which DM 566,570 from the European Commission, GTZ / BMZ, member organisations and state offices for development cooperation.

After thirty years of 'fair trade', *Misereor*, *Brot für die Welt* and the *Friedrich Ebert Foundation* are pressing for greater political influence and for fair trade to be integrated into German development policy.[410] However – alongside falling sales – the signs do not appear to be particularly favourable.

On the one hand: 'Environmentalists and advocates of social standards are regarded by Third World governments and in their own countries as protectionists in disguise.'[411] Secondly, the limits of acceptance appear to have been reached, as, for example, toy manufacturers (the 'fair spielt' campaign) simply ignored the invitation – or, more precisely, the request – for an informative discussion about the manufacturing conditions of their toys.[412]

So, to summarise: Gepa turnover (1999/2000) DM 58 million, TRANSFAIR/RUGMARK revenue (2000) DM 2.5 million, of which grants amounted to DM 864,437 – from state sources (90%): DM 777,993.

15.2. Religious merchandise trade

Alongside this comparatively new market segment of 'fair trade', there is the traditional trade in devotional items.

Don't know what devotional items are? Quite simply, the word says it all: objects before which you bow 'devoutly', i.e. 'venerable' or 'holy' objects. In the Vatican, for example, you can buy so-called 'wiggle pictures' (when you tilt the picture, a second image underneath becomes visible): Jesus on the cross with his eyes closed, and when the picture is tilted, he opens his eyes.

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[410] Joint press conference 2000, e.g. at: http://www.mise-reor-medien.de/scripts/service/seite3111

[411] *DIE ZEIT*, 25 November 1999, p. 30. (Thomas Fischermann: A New Game in World Trade)

[412] As seen at the Toy Fair in Nuremberg in February 2000. Misereor press release.

The Pope – or rather, the image of the Holy Father – is available in a wide variety of forms: as a wall hanging, a handkerchief, a bottle opener, a postcard, a key ring (which, when pressed, plays the 'urbi et orbi' blessing – available in most of the world's languages), and even as a scarf, etc., etc.

The Vatican is said to have a sort of price list, ranging from a simple postcard (DM 1), a printed papal blessing (DM 15), a personally signed blessing with a certificate (DM 5,000), right up to a private papal audience (DM 30,000) including a video. For the more affluent, there is an honorary doctorate (for a donation of DM 50,000) or an order (the Grand Cross of the Order of St Sylvester or the Order of St Gregory) for DM 120,000, a baronial title conferred by the Curia (for DM 300,000) and, finally, elevation to the rank of prince (up to DM 2.5 million). All prices are based on 1990 rates.[413]

A German diocesan bishop can, of course, only dream of such things; a Protestant bishop cannot even entertain the thought. The cult of personality surrounding the Pope and his marketing cannot be transferred in this way to other church leaders.

This exclusivity is countered by a 'mass' that is almost impossible to quantify in economic terms. Who is not familiar with the stalls and shops of devotional goods dealers, laden with Christian 'kitsch', at popular church tourist destinations or places of pilgrimage? Alongside this, however, there is a more tasteful trade, operated, for example, by *misereor* (as a commercial mail-order business: Misereor Medien- und Vertriebsgesellschaft mbH) with 'hunger cloths'.

And there are specialist religious retailers, such as Albrecht GmbH, 'Church supplies since 1931'. 'The range includes items for all occasions in the church year: Easter, Christmas, Candlemas, etc. A wide selection of candles and traditional items is also available', and publications 'ranging from children's Bibles and liturgical tear-off calendars to intercessory prayer books (...) round off the range'.[414] Or, for those who prefer something more exclusive, purchases can be made from Josef Janauschek, "Papal Purveyors to the Court", in Vienna, which has been part of the Munich-based "Church Arts and Crafts" company C. Ludwig since October 2000, the "largest specialist supplier to the clergy in the German-speaking world". These firms are legitimate private-sector businesses: registered, liable for tax, etc.

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[413] See Forbes (business magazine), issue 8/90, p. 60 ff., cited from http://member.aol.com/bfgmuc/kg-meld.htm (report 1349)

[414] http://www.christlicheartikel.de

The example of *the Pontifical Society for the Missionary Promotion of Children in Germany* illustrates the tricks required when church organisations do not formally spin off their commercial activities. Under the heading 'Materials', 65 items are offered: From Advent lanterns, colourful money boxes, slide series, wooden crosses, jigsaw puzzles, CDs and fairy-tale dolls, right through to videos and activity books. The information brochure 'Ihr Vermächtnis' is available free of charge; for the smaller items, the message is: 'We ask for a donation to cover our costs'; for a CD: 'We ask for a donation of DM 13.00 to cover our costs' and for the slide series '... a donation of DM 19.80'. None of this constitutes commercial income from sales, but rather 'administrative income' and tax-deductible donations totalling no less than DM 19.2 million.

15.3. Souvenir trade

A whole range of church organisations and charities have discovered that the specific souvenir trade (known in 'new German' as 'merchandising') represents an additional source of income.

Here too, it is not possible to quantify the turnover, but only to describe the range of goods on offer.

We had already become familiar with the 'Kirchentag shop' at the Protestant Kirchentags. The Catholic Congress also offers a 'Catholic Congress Collection': hourglasses, T-shirts, sweatshirts, rings, 'genuine silver (925) with distinctive deep engraving', wristwatches, umbrellas, baseball caps, cute soft toys, etc. 'Minimum order value DM 25.00!'[415] What applies to the Church Days also applies to the 'Kolping Shop' [416] (sweatshirts, T-shirts, denim shirts, coloured pencils, coffee, mouse pads, lighters, etc.) or the 'Diakonie Shop', the central sales outlet of the Diakonisches Werk der EKD e.V. in Stuttgart, which, alongside calendars, annual planners, gummy bears and ceramic mugs, also offers – like the other 'shops' – wristwatches and umbrellas. (Given this range, customers apparently either don't know what time it is or they're constantly out in the rain?)

15.4. Wholesale discounts and framework agreements

'Trade' originally comes from 'negotiating', meaning one discusses terms and prices – colloquially: haggling. What is good enough for other corporations and professional groups should also be acceptable to the churches: wholesale

[415] On the occasion of the 94th German Catholic Day in Hamburg in 2000. At the time available at: http://microshop.de/katholikentag

[416] http://www.kolping-dv-augsburg.de/shop

buyer discounts through the *Handelsgesellschaft für Kirche und Diakonie* – HKB. A subsidiary of the Evangelische Darlehnsgenossenschaft eG, Kiel. Motto: "The Church as a whole represents a market potential that must be asserted vis-à-vis suppliers."[417] Scope of application: "for all areas assigned to the NEK, the North Elbian Protestant Lutheran Church and all social welfare organisations in Hamburg and Schleswig-Holstein". Discounts of up to 35% depending on the product group. There are partnerships with 13 vehicle manufacturers, Europcar, DeTe-Mobil, office supplies companies, and many more.[418] Although it states: "The offers also apply to all other regional churches and their institutions", the Diakonisches Werk has, in parallel with or in place of this, concluded framework agreements with car hire companies, as well as electricity supply and telecommunications firms:[419]

- From 1 January 2000, *Europcar* Car Rental (a subsidiary of Volkswagen AG) will offer a discount of 60% on average on standard domestic rates. (Europcar will issue the necessary number of credit cards free of charge.)
- An agreement has been reached with PreussenElektra AG/Stadtwerke Hannover for the medium-voltage level (energy mix) stipulating a maximum average electricity price of 15 pfennigs per kWh. (Term: 1999–2002). However: 'Supply exclusively with renewable energy sources plus 8.0 pfennigs per kWh'.
- The 'Kirche standard' and 'Kirche optional' tariffs were agreed with *Mannesmann Arcor* with effect from 1 January 2000. "The new 'Kirche optional' tariff is characterised by the fact that, for a monthly basic fee of DM 8.90, even cheaper per-minute rates are offered for regional (DM 0.06/DM 0.04), national (DM 0.10/DM 0.08) and international calls (from DM 0.39)."

This mobile telephony framework agreement (which was renewed following the takeover of o.tel.o by Mannesmann Arcor) expressly states: "o.tel.o, the framework agreement partner of the Protestant Church in Germany (EKD), the Association of German Dioceses (VDD), the Social Welfare Organisation of the EKD and the German Caritas Association, is also affected by this development." It may therefore be concluded that (once again) there is parity between the denominational sectors, a sort of 'framework agreement ecumenism', so to speak.

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[417] HKD: *Purchasing Guide*, as at June 1999, p. 2.
[418] http://www.hkd.de
[419] http://www.diakonie.de (Internal)

As no implausible estimates should be used, this overview should suffice, since the individual activities cannot be assessed by an outsider.

15.4. Further trade

Finally, however, two points to note.

Firstly: If you buy books – which you obviously do – and wish to support a Protestant mission organisation when purchasing online, do not go directly to the world's largest online bookseller, *amazon.de*, but instead grant the mission organisation *World Vision* a **partnership discount**. "The partnership discount is an initiative by Amazon. For every online order placed via our website, 5% of the net sales price per book is refunded. (For book orders from our 'Buchreport', it's even 15%!) This amount then goes directly to one of our aid programmes."[420]

Secondly: If you think a kiwi is a New Zealand fruit, you're out of the loop. In northern Germany, 'kiwi' stands for *church-run wind turbines* **generating electricity** through a support association that operates four wind turbines near Magdeburg. The aim is to generate environmentally friendly electricity for church customers and use the profits for projects in the Third World.[421]

[420] http://www.worldvision.de/html/bookshopinformation

[421] *Deutsches Allgemeines Sonntagsblatt*, 2 October 1998, via http://www.sonntagsblatt.de/artikel/1998/40/40-s13.htm

16. Tourism, Hotels and Catering

Tourism / Christian travel agencies / Church-run travel agencies / Holiday organisations / Hotels: Association of Christian Hotels, YMCA hotels, Kolping Hotels, Hotels run by religious orders / Catering: Christian amateurs, Christian professionals.

16.1. Tourism

Whereas Christian tourism used to involve pilgrimages on foot within one's own country (except to Rome and Lourdes), staying in simple hostels or guesthouses and beginning the day with a cheerful prayer – today there is 'black tourism' – a 'perennial topic for the industry'.[422]

These tourist ventures are not so named because a priest dressed in black leads a small group of believers to Rome, but because, particularly within the church sector (but also at adult education centres), the tradition of self-organised group trips is practised, which are unaware of legal regulations – for example, regarding customer money protection – or at least do not observe them. Similarly, anyone who organises more than one trip a year for others must register this as a business and is liable for tax as a commercial tour operator. For some years now, 'tax investigators have reportedly been tasked with collecting at least 20 million DM a year from such associations that have engaged in illegal black tourism and thereby breached their corporate tax obligations.'[423]

A glance at church parish bulletins and church newspapers makes it clear what is meant by this. Examples: "The Catholic parish of St Annen in Hamburg-Ochsenzoll invites you to a pilgrimage from 22 to 29 September (1999) to Lourdes for able-bodied people, disabled people and the sick. The price: 1,085 marks (850 marks for the sick and disabled) for a journey in a couchette carriage and full board in Lourdes. Included are spiritual guidance and medical care."[424]

"'Living like God in France'. Under this motto, the VKRG is once again inviting members on a trip next year. This time the destination is France, more specifically Burgundy. (...) The dates coincide with the Bavarian Whitsun holidays (3–9 June 2001)." [425]

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[422] *fvw* (Tourism Industry) of 17 April 1998, p. 12.
[423] According to information from the YMCA Travel Service, in: *fvw* of 11 November 1996, p. 45.
[424] *Hamburger Abendblatt*, (Churches special supplement 9/1999, p. 24.)
[425] *inform* (membership magazine of the Federal Association of Parish Assistants and Religious Education Teachers and the Association of Catholic Religious Education Teachers and Parish Assistants in Bavaria – VKRG), No. 1/2000, p. 17.

These trips represent a significant market segment: the volume of church group travel in Germany is estimated at two billion Deutschmarks,[426] which travel agencies would naturally be keen to take on. Given an estimated industry turnover of around 100 billion Deutschmarks, this would account for 2 per cent of the market.

But it is not only the cheerfully singing church groups that are on the move in Germany and Europe; 'there are constantly 80,000 people from Germany abroad on mission trips'. So says the managing director of *Missionsreise-dienst GmbH* (MRD), founded in Kassel in early 1995.[427] Missionsreisedienst GmbH receives "earmarked discounts of up to 33 per cent from many airlines." Earmarked means that these discounted tickets can only be used for travel "for church purposes".

The volume of these international church trips is estimated to run into the hundreds of millions.

Yet other organisers from the church sector are also active in 'black tourism'. For instance, the Diocese of Münster publishes a catalogue featuring offers such as 'Sailing with Christians in the Caribbean'.[428] Will the sails then likely be hoisted whilst singing hymns?

But what are the dioceses to do when the well-behaved and traditionally somewhat staid offerings of their holiday organisations (inexpensive family holidays on the North Sea islands or in the Alps) are no longer enough for their spoilt clientele? They can book trips with Christian tour operators who offer something exotic.

16.1.1. Christian tour operators

For example, *Oekumene-Reisen* (in Schortens), "a partner for churches and educational institutions"[429] , which not only includes "church services, baptisms and devotions" in its itinerary, but also offers pilgrimages alongside social trips. And if a group organiser 'explores' the trip individually, they get their money back if they book a group trip within the following two years.

To ensure everything remains within the church sphere, this organiser's trips are also offered as 'reader trips' by the Evangelische Zeitung of the Hanover Regional Church: "For the success of our trips Our caring, spiritual

[426] Siegmar Lahme of CVJM-Reisen, in: *fvw*, 25/1996, p. 45.
[427] *fvw*, No. 23/1996, p. 15.
[428] *fvw*, No. 10/1998, p. 12.
[429] See http://www.oekumene-reisen.de

tour guides also contribute to this, working hand in hand with the organiser's local tour leaders."[430] May 1999: "In the footsteps of the Apostle Paul. (Greece) Seven days: DM 1,695 per person in a twin room, incl. half board and a small excursion package. Single room supplement: DM 245."

Neues Leben Reisen GmbH (Altenkirchen) "is a major Christian tour operator whose aim is to combine attractive holiday destinations with holidays for body, soul and spirit."[431] Emerging from the work of the Neues Leben mission organisation, the focus of its offering lies in a company-owned holiday resort in Calvi, Corsica.

16.1.2. Church- e travel agencies

Meanwhile, the established churches have also 'woken up' and set up their own travel agencies: "In April 1998, the Diocese of Trier decided to reorganise its pilgrimage office and holiday service and went on the offensive with the opening of the first church-run travel agency, 'Arche-Noah-Reisen', on 11 September 1998."[432] The term 'offensive' makes it clear that traditional church-organised travel and holiday events were evidently attracting fewer and fewer participants, and the churches have set out to reclaim their market share.

Arche-Noah-Reisen "offers you a wide selection of affordable travel deals every day, whether you're looking for a last-minute getaway or planning your dream holiday." However, pilgrimages remain the core business, particularly in spring and autumn to Lourdes, to which the diocese's spiritual pilgrimage leader "warmly invites" you. From DM 900 per person in a twin room. In 1998, over 1,200 faithful from the diocese made the pilgrimage to Lourdes. This generated (at least) a turnover of 1.1 million marks, and according to an industry average that 12 per cent of turnover from package tours 'stays with the travel agency',[433] DM 132,000 in pilgrimage funds went into the diocese's coffers.

However, *Noah's Ark* stands alone in its claim to be the first church-run travel agency, as the missionaries have been active for some time.

raptim Deutschland GmbH. International church travel service. Founded in 1949 by Christian missionary societies in the Netherlands ("Romana Associatio Pro Transvehendis Itinerantibus Missionariis"), the idea was taken up

[430] See http://www.evlka.de/extern/ez/reisen/rei_main.html
[431] See http://www.reisen.neues-leben.de
[432] Arche-Noah-Reisen, 'Aktuell' brochure, issue 1/2000.
[433] See *Hamburger Abendblatt*, 10 November 1999, p. 21 (The Battle for the Holidays)

as early as 1951 by *missio-aachen*, and the missionaries flew to the mission field cost-effectively on raptim charter flights. From "1990, raptim then opened up to new target groups. Today, anyone can fly with raptim." Slogan: "On the way to friends."[434] And that's worldwide, because the missionaries are also on the move worldwide.

Another tour operator would also dispute *Noah's Ark's* claim to be number one: *Biblische Reisen GmbH,* part of the Ecumenical Working Group for Biblical Travel (Ökumenischer Arbeitskreis für Biblische Reisen e.V.). This travel service (which publishes a 254-page colour catalogue) was founded in 1982 by the Protestant Bible Societies and the Catholic Bible Societies. "It offers tours to sites of biblical events and guides you there in a manner befitting the biblical message. In doing so, we have been fulfilling an important biblical missionary and pastoral mission for 35 years."[435]

It is noteworthy that this travel company is not listed in the denominational directories – perhaps because the Bible societies have been working together for 30 years, and back then 'ecumenism' was still considered a 'fall from grace'?

The logic behind *Kolping Travel* is more akin to that of a family man focused on self-sufficiency. Given that the Kolping families had 276,000 members in Germany in 1999, why should they fly to Mallorca with another travel agency when the Kolping Society itself can earn the money from arranging the trips? To bring everything into a commercially organised framework whilst reaching a wider public, the first *Kolping travel agency* was opened in Cologne in February 2000. Alongside this, however, there is also *Kolping Tours GmbH* in Augsburg and *Kolping-Interra Reisen GmbH* in Dresden.

The list of tour operators could now be extended considerably, e.g. Viator-Reisen, MBK-Reisen, Rotala-Reisen, Liborius-Reisedienst, anders-reisen, etc.

Just four more examples: "The Catholic Television Department at ZDF, in collaboration with Tobit – Reisen zwischen Himmel und Erden, has created a travel programme based on the structure and themes of the 2000 televised church services".[436] The Holiday Organisation of the Diocese of Speyer states: "As the tour operator for the Diocese of Speyer, we have been offering pilgrimage, study, walking, festival and leisure trips for many years. We guarantee reliability and expertise. Request a catalogue."[437]

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[434]http://www.raptim.de
[435] Biblical Journeys, *Complete Catalogue 2000*, p. 8.
[436]http://www.wurzeln.visionen.de/reisen.htm
[437]http://www.kath.de/bistum/speyer/ferienwerk

The Katholische Ferienwerk Oberhausen e.V. has also been active for a long time: "For over 45 years, we have been the tour operator for youth and activity holidays and for language trips. We specialise in family holidays, mother-and-child health retreats, activity holidays for adults, holidays for senior citizens, and study trips and city breaks."[438]A final example is the Ferienwerk of the Federal Association of Catholic Youth, whose '2001 Summer Catalogue' can be requested[439] and which offers trips ranging from Lapland to the Dolomites, Denmark and as far as Mexico.

16.1.3. Pilgrimages

The clear distinction from ordinary tour operators and travel agencies – which they all are, of course – lies in the fact that a Christian tour operator – much like Christian publishers who include a Bible in their catalogue – serves a specific niche: pilgrimages. Traditionally, every diocese has a diocesan pilgrimage office. In Bavaria, which comprises seven dioceses, the path of coordination through *the Bavarian Pilgrimage Office* was taken at an early stage. Founded in 1925 as a non-profit association (e.V.), its members are the seven Bavarian (arch)dioceses, and over time, a second company was affiliated in 1978: the "Bayerisches Pilgerbüro Studienreisen GmbH". Around 40,000 travellers take part in over 1,000 trips organised by the Bavarian Pilgrimage Office each year.

The most important pilgrimages are to Lourdes in France, Fatima in Portugal, Santiago in Spain, Rome and the 'Holy Land'. Pilgrimages to Częstochowa or walks along the Way of St James in Spain are somewhat more unusual.

Whilst the 'Lourdes – 5-day' trip has settled at DM 998 and the Marian shrine of Fatima remains stable at around DM 1,600, there are more significant variations among the 'exotic' destinations. A 12-day walking tour along the Way of St James by coach (Bavarian Pilgrimage Office) from DM 2,198 or as a flight package (from the Bavarian Sonntagsblatt) for DM 3,175. To mark its 75th anniversary, the Bavarian Pilgrimage Office offered a three-per-cent discount in July 2000. However: "This discount applies to bookings made through the diocesan pilgrimage office or directly with the Pilgrimage Office in Munich, but not to bookings made through travel agencies."

The turnover figures for the individual companies are not known. However, for example, in 1996 the CVJM Travel Service reported DM 10 million, the Mission Travel Service around 5 million and the Bavarian Pilgrimage Office around 40 million [440] The estimate of two billion marks for church group tours

[438]http://www.kforeisen.de
[439]http://www.bdkj-ferienwerk.de
[440] Estimates by a specialist editor at the journal **Fremdenverkehrswirtschaft**.

mentioned at the outset was nevertheless justified. Using the examples of denominational associations and clubs and their members' tours, a simple calculation can be made: If, in all of the approximately 31,000 church parishes (with their various groups within the parishes), just two group trips with 30 participants (one coach) are undertaken per year, that amounts to around 1.9 million travellers; and based on a turnover of 2 billion marks, that would work out at DM 1,053 per participant per trip. And there are hardly any trips available to book for that.

16.1.4. Religiously-initiated tourism

The two places in Germany where the 'Catholic world revolves' are in Bavaria and share the fact that, although tourism is 'religiously' initiated, it is the local authorities and private businesses that reap the turnover and profits.

Altötting, in the Diocese of Passau, is Germany's most famous place of pilgrimage, with seven Catholic churches and chapels and two monasteries. The hearts of the deceased Wittelsbachs, the former Bavarian royal family, are kept in the Chapel of Grace, and over a million visitors pay their respects each year. Accordingly, the tourist information office is called the 'Pilgrimage and Tourist Office of the Town of Altötting', and to organise everything there are precisely fixed dates for when which pilgrimage from which diocese is scheduled, when the soldiers' pilgrimages take place, and when the displaced persons march with their flags for pilgrimage and prayer.[441]

The Passion Plays in *Oberammergau* (held every ten years) are organised by the local council as the sponsoring body; the Catholic Church holds only the patronage and authority over the text performed on stage. It sees none of the DM 67 million from ticket sales, and the roughly 500,000 tourists who eat and drink there do not do so in the church. And the further sum of around three million from catalogue sales also goes into the municipal coffers.[442]

Let us now turn to areas where the occasion, organiser and revenue remain 'in one hand': holidays in monasteries, family holidays and youth trips.

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[441] See: *Pilgrimage and Cultural Calendar*. Published by the Pilgrimage and Tourist Office of the town of Altötting with the support of the Episcopal Administration of the Holy Chapel.

[442] See: *stern*, 14 April 2000, p. 94. (Joachim Rinhardt: "Jesus Lives!")

16.1.5. Holidays at the Monastery

There are special offers in the religious sectors that other organisations cannot provide. (*Retreats* are covered in the section *on religious orders*.) Bookings can be made either directly with the monasteries or through tour operators.

The Franciscan monastery in Eggenfelden, Lower Bavaria, offers "Monastery for Living Together" – though this is for men only and the stay is free of charge. Those who wish may make a donation. At the Benedictbeuern Monastery of the Salesians of Don Bosco, both men and women are welcomed; they stay in the guest house, and bed and breakfast in a single room costs 48 marks, full board 78 marks per day.

However, those wishing to take part in a programme can book through a tour operator, be it weekends at the guest house of the Franciscan Sisters' monastery in Helgoland/Eifel featuring "gospel singing, qi gong, meditative dance, and more", paying DM 390 for a two-day weekend, DM 490 for three days and DM 790 for a week (full board in each case). At the Benedictine Abbey of Ottobeuren, weekly courses such as 'Fasting, Hiking, Meditation' or 'Water-colour Painting around the Abbey' can also be booked. Including full board, prices range from DM 995 to 1,150.[443]

The monasteries have to finance themselves and holidaymakers pay for everything out of their own pockets. That keeps things straightforward.

Things become a little more complicated from here on, as this also involves state subsidies, amongst other things.

16.2. Holiday organisations and leisure facilities

For the traditional family holiday of Christian families, the German states were the destination and the accommodation was a home under Christian care. Even though modern mass tourism outside Germany now generates the revenue, the traditional Christian holiday organisations still exist. They do not operate on the normal commercial market, because: "Due to their remit, they are non-profit organisations and are funded by the federal government and the state governments."[444] All welfare organisations run such facilities within their organisations, although the denominational organisations have an additional, special role.

[443] Catalogue of 'SKR – Studien Kontakt Reisen', Bonn.
[444] http://www.diakonie.de (family holiday centres)

16.2.1. Protestant Family Recreation

Protestant family recreation is organised within the Diakonisches Werk of the EKD and forms part of its "Department of Missionary Services"[445] [!], for "as an organisation of the Protestant Church in Germany (EKD), the Diakonisches Werk carries out diaconal and public missionary tasks in accordance with the EKD's Basic Order. It ensures that church work is directed in accordance with diaconal and public missionary responsibilities." [Statutes of the Diakonisches Werk of the EKD, § 1]. Accordingly, the denominational family holiday centres generally (with only a few exceptions) have their own chapel or prayer room.

There are said to be sixty Protestant family holiday centres, fifty-four of which are included in the overview.

Overview 131: Protestant family holiday centres in Germany

Postcode / Town	*Organiser*	*Beds/rooms.*	*Value Million*
01762 Schmiedeberg	Martin Luther King House	105 beds	3.2
01904 Neukirch	Louisenstift gGmbH	12 FW	1.5
02747 Herrnhut	Brüder-Unität	2 rooms / 90 beds	3.0
02796 Jonsdorf	LV Landesk. Sachsen e.V.	50 beds	2.3
17628 Groß Dölln	St. Elisabeth Foundation	31 homes	10.0
18181 Graal-Müritz	Dresden Deaconesses	55 beds	2.0
18374 Zingst	Wichern Diaconate	6 flats + 5 houses	3.0
18513 Turow	LK-G. Association	45 plots (8 ha)	2.0
18586 Sellin	LK-G. Association	70 single rooms / 35 double rooms	2.0
23679 Fehmarn	Ferienwerk Martini	3 rooms / 73 beds	2.5
23946 Boltenhagen	Kur- u. Erh. gGmbH	FW – 8 people	2.0
24794 Bünsdorf	Zentrum Wittensee e.V.	18 flats	1.5
26465 Langeoog	LV Innere Mission	33 FW	3.5
26467 Spiekeroog	Regional Association of Frankfurt	24 rooms	1.2
26467 Spiekeroog	Inner Mission	21 FW	2.1
26474 Spiekeroog	Diakon. Werk Hamm	48 beds	3.5
26474 Spiekeroog	Diakonie Gütersloh	30 rooms	1.2
26548 Norderney	LV Innere Mission	26 rooms + 5 rooms	2.8
26757 Borkum	YMCA – GV Kassel	124 rooms + apartments	20.0
26757 Borkum	Protestant Reformed Church	35 rooms + 6 flats	2.0
26757 Borkum	Diakonisches Werk Hamm	92 beds	3.2
26757 Borkum	Diakon. Werk Hamm	48 beds	1.5
26757 Borkum	Duisburg Parish	17 bungalows	3.8
35510 Butzbach	Heilandsgemeinde	80 bedrooms, 2 bathrooms	3.5
35619 Braunfels	Methodists	56 single and double rooms	5.0
36142 Tann, Rhön	Family Holiday Association	10 houses	1.5
36358 Herbstein	CVJM Holiday Village Association	10 houses	7.0
37339 Bodenstein	Church Province of Saxony	42 double rooms / 16 apartments	20.0

[445] http://www.diakonie.de (Mission)

37359 Bad Grund	Family Retreat Association	10 houses	1.5
37444 St. Andreasberg	Family Holiday Association	9 houses	1.4
37586 Dassel	YMCA – Kassel	3 houses / 90 rooms	5.0
38885 Werningerode	YMCA – Saxony-Anhalt	90 beds	2.5
55583 Bad Münster	Ebernburg Association	115 beds	20.0
56479 Rehe	"Westerwald" Foundation	111 rooms	4.0
57299 Burbach	Blue Cross	N/A (100 rooms)	3.0
59872 Meschede	D.W. Hochsauerland	38 rooms	1.5
61276 Weilrod	Regional Association Frankfurt	up to 300 people	4.0
61389 Schmitten	Protestant Free Church	170 beds	8.0
63667 Nidda Kohden	Family Recreation Association	7 houses	1.0
64853 Otzberg	Family Recreation Association	5 houses	0.8
66459 Kirkel	Family Holiday Home Association	11 apartments	1.0
71566 Althütte	CVJM Ludwigsburg e.V.	N/A	2.0
72469 Meßstetten	Association for Family Recreation	40 houses	3.8
72532 Gomadingen	Protestant Church of Stuttgart	40 FW	4.5
74417 Gschwend	Karlshöhe, Ludwigsburg	15 houses	2.4
74595 Langenburg	Association for Family Recreation	38 houses	8.0
75378 Bad Liebenzell	Liebenzell Mission	12 rooms + 120 beds	8.0
77876 Kappelrodeck	Family Retreat Association	12 houses	2.0
79539 Grenzach	Ev. FF Rührberg e.V.	7 houses	3.0
86989 Steingaden	Langau e.V.	47 beds	1.5
91332 Heiligenstadt	Family Centre. e.V.	10 FW + JH	2.8
92360 Sülzburg	Friends' Association	N/A	2.0
93191 Rettenbach	Diakonisches Werk Regensburg	20 flats + 4 youth hostels	4.0
95100 Selb	Youth Services Berlin	120 beds	3.6
54 facilities	*40 providers*		*218*
	Total 'value' excluding YMCA facilities		*182*

D.W. = Diakonisches Werk, FD = holiday village, FF = family holiday centre, FW = holiday apartments, GV = umbrella organisation, JH = youth hostels, LK-G. = Regional Church Community Association, LV = Regional Association.

Source: Protestant Family Recreation in the Diakonisches Werk of the EKD, at: http://www.diakonie.de or http://www.ev-familienerholung.de

Of particular interest here are not the 'estimated values' of around 182 million marks,[446] nor the estimated turnover of around 36 million marks,[447] but rather the large number of forty providers, of which only four belong to the 'constitutional church'. The other organisations are registered associations, foundations, non-profit limited companies and diaconal institutions. This addresses the question discussed in such detail in the introduction to this study—what constitutes a 'church'—and the issues raised in the financial overviews

[446] These estimates were made with the assistance of an estate agent. They were based on photographs of the buildings and grounds, details of the facilities and special features (private beach, extensive land holdings, etc.).

[447] The aforementioned facilities have a total of around 6,500 beds. Assuming an average price of DM 17 per person in a holiday home and DM 45 per person in a double room, this results in an average price of DM 31 per night. With 300 days of operation and a 60 per cent occupancy rate, this amounts to 36.3 million marks.

repeatedly emphasising the 'constitutional church' in its inclusions and exclusions, its legal entities and competences suddenly become completely superfluous, for 'church' is evidently whatever is counted as such—or not—according to arbitrary criteria.

This arbitrariness applies not only to the Protestant sector, but equally to the Catholic sector.

It is not only these diverse bodies that are confusing, but also the incompleteness. To cite just two specific examples: in the diaconal list, two institutions of the 'Kirchliches Werk für Freizeit und Erholung' of the Protestant Church in Frankfurt am Main were mentioned (Spiekeroog and Mauloff), but the third house (in Bad Salzhausen) is not mentioned.[448] Similarly, the house of the 'Diakonie-isches Werk im Kirchenkreis Hamm e.V.' in Usseln is missing.[449]

This issue is even more serious when it comes to the listing of YMCA facilities. Five facilities are mentioned, yet the YMCA has 26 facilities. Notable examples include the 'Viktoria' house on Borkum, situated directly on the beach and the spa promenade, Wernfels Castle in Bavaria, and Mansfeld Castle in Saxony-Anhalt.

Overview 132: YMCA holiday homes in Germany

Postcode / Town / Name	*Beds / Rooms,*	*"Value"*
06343 Mansfeld Castle	19 rooms (80 beds)	10.0 million
07907 Dörflas	24 beds (7 rooms)	0.5 million
09509 Pockau / Strobelmühle	80 beds (17 rooms)	1.5 million
10178 Berlin / Sophienhof	N/A	2.0 million
10787 Berlin / Youth Hostel	80 beds (23 rooms)	2.5 million
14778 Mötzow / House by the Lake	50 beds (16 rooms) + 11 family rooms (4 beds each)	1.0 million
15377 Waldsieversdorf	50 beds (single, double, mixed)	2.5 million
15859 Storkow	35 beds (7 rooms)	2.0 million
23743 Grömitz	65 beds in 3 buildings	2.5 million
24631 Langwedel / Waldheim	22 nursing homes (287 beds) (11h a)	5.0 million
25859 Hallig Hooge / Volkertsw.	4 houses (90 beds)	2.5 million
26474 Spiekeroog / Sturmeck	82 beds (shared rooms) + 5 single rooms	1.5 million
26757 Borkum / "Viktoria"	124 rooms + apartments (338 beds)	20.0 million
26757 Borkum / Waterdelle	183 beds (shared rooms) + 14 single rooms	2.0 million
29223 Celle / Marwede	3 houses (46 beds)	1.8 million
32699 Extertal	8 rooms (30 beds) (2 ha)	1.5 million
34323 Malsfeld / Hof Largesberg	40 beds (10 rooms)	1.2 million
36358 Herbstein / Holiday Village	10 houses (15 ha)	7.0 million
37586 Dassel / Haus Solling	91 rooms (for 210 people)	5.0 million
38885 Wernigerode / Huberhaus	24 double rooms, apartments (90 beds)	2.5 million

[448] http://www.dike.de/evangelische-kirche-frankfurt/freizeit
[449] http://www.diakonie-hamm.de/usseln

38885 Wernigerode / Mütterheim	13 rooms (33 beds)	1.5 million
56368 Ergeshausen/Lindenmüh.	61 beds (single, twin, shared)	1.0 million
57234 Wilnsdorf / Siegerland	140 beds (twin rooms + shared rooms)	4.5 million
71566 Althütte / H. Lutzenberg	N/A	2.0 million
72202 Nagold	12 rooms (49 beds)	1.0 million
83486 Ramsau / H. Hintersee	58 rooms (164 beds)	5.0 million
91174 Spalt / Wernfels Castle	167 beds (single rooms, mixed rooms)	20.0 million
97769 Bad Brückenau	(former princely palace)	15.0 million
Total		*124.5 million*

Source: http://www.cvjm.org/angebote (Houses), with individual references and regional associations, e.g. http://www.cvjm-berlin.de

The estimated value of all YMCA leisure facilities is 125 million and the annual turnover is around 25 million.

16.2.2. Catholic Family holiday facilities

The same applies to Catholic family holiday facilities as to the Protestant sector. The following overview lists 35 facilities, but according to the chairman of the 'Catholic Working Group for Family Recreation', there are said to be around seventy.

Their 'valuation' stands at 70 million and turnover is expected to be in the region of 28 million.[450]

Of the 35 facilities listed, only five are run by the 'Constituted Church' (the dioceses); the other operators are registered associations, Caritas, the Missionary Sisters, a foundation, the Catholic Workers' Movement, the Catholic Rural People's Association, and others.

Overview 133: Catholic family holiday centres in Germany

Postcode / Town	*Organiser*	*Beds/Rooms*	*"Value"*
01796 Struppen	Caritas Association – Meissen	46 beds (single, double)	0.8
02681 Schirgiswalde	Kolping FFW e.V.	19 rooms (for 117 people)	3.0
14774 Kirchmöser	N/A	16 apartments + 9 double rooms	1.8
17139 Gorschendorf	Kolping FFW GmbH	42 rooms (single, double, apartments)	3.0
18181 Graal-Müritz	Missionary Sisters M.	98 beds (apartments, twin rooms)	3.0
25980 Rantum	Stegerwald Foundation, Cologne	N/A (suites)	2.0
26474 Spiekeroog	Catholic Holiday Home Oberhausen	22 shared rooms, 6 single rooms	1.8
26548 Norderney	Förderring Jugend ... e.V.	9 apartments	1.4
27476 Cuxhaven	Family Holiday Centre	27 family apartments	1.8

[450] Unlike the Protestant family holiday centres, prices are always stated for Catholic establishments. With full board, the average daily cost for one adult is DM 52 and for children, depending on age, DM 45 / 41 / 38 / 35 and 22. For a family with 2 adults and an 8- or 12-year-old child, a day costs DM 183. The facilities have around 3,400 beds available, enough to accommodate 850 of these families. With 300 days of operation and 60 per cent occupancy, this results in 153,000 family overnight stays x DM 183 = 27,999,000.

33034 Brakel	FEW Archdiocese of Paderborn	55 rooms (for 120 people)	5.0
36115 Hilders	St. Boniface Institute	54 single rooms, twin rooms, shared rooms	1.8
37318 Uder	Catholic Rural Adult Education Centre	12 flats (each for up to 7 people)	2.4
38644 Goslar	Caritas Association	12 FW (10 people)	3.5
38700 Braunlage	Caritas Association	8 apartments (8 people)	0.8
38700 Braunlage	Caritas Association	18 single rooms, 4 double rooms	0.8
42929 Wermelskirchen	Family Holiday Centre	73 double rooms, 14 single rooms	4.5
53518 Honerath	Family Holiday Centre	17 double rooms, 5 single rooms, 3 mixed-use rooms	1.2
53949 Dahlem-Baasem	Catholic Holiday Home Oberhausen	44 rooms	1.8
54497 Horath	N/A	100 beds	3.0
54538 Bengel	Family holiday accommodation	3 buildings (for 96 people)	2.4
56412 Hübingen	Association of the Diocese of Limburg	Various houses (5 ha)	3.0
57399 Kirchhundem	KAB – Rahrbach	59 double rooms	3.2
57462 Olpe	FEW Archdiocese of Paderborn	28 apartments (for families)	1.8
57462 Olpe	Kolping-FFW – Münster	42 flats (for families)	2.8
57581 Elkhausen	Caritas – Essen	100 beds (single, twin)	3.0
58769 Nachrod	Kolping FFW e.V.	63 rooms	2.2
59955 Winterberg	FFH Elkeringhausen e.V.	100 beds + youth hostel	2.5
78479 Reichenau	FEW Archdiocese of Freiburg	26 apartments with 1–3 rooms	3.0
79682 Todtmoos	Catholic holiday home Oberhausen	39 rooms	2.5
79868 Feldberg	FEW Archdiocese of Freiburg	14 flats + 6 double rooms	1.2
83229 Aschau	KAB – Munich+Freising	110 beds	3.3
83730 Fischbachau	Caritas Association – Bamberg	9 male / 10 female	1.5
88149 Nonnenhorn	Volunteer Fire Brigade in the Family Association ...	12 FW (up to 8 people)	2.2
94379 St. Eglmar	Caritas Association – Regensburg	21 double rooms	0.8
97816 Lohr am Main	Family Holiday Centre	48 rooms (100 beds)	2.0
Total: 35 facilities	*15 providers (groups)*		*80.8*
		Total (in millions) excluding Kolping Society facilities	*69.8*
FF = Family Holiday Centre, FEW = Family Recreation Organisation, FFW = Family Holiday Organisation, KAB = Catholic Workers' Movement			

Sources: Catholic Working Group for Family Recreation, at: http://www.familienerholung.com and
data from the Darlehenskasse Münster (DKM) at: http://www.dkm.de /Leisure

Of the Kolping Society's facilities, four are mentioned; however, the **Kolping Family Holiday Organisation** in Germany operates 14 holiday centres with around 50,000 guests annually. A further 15 family holiday centres run by the Kolping Society are located in other European countries (Italy, Switzerland, Denmark, France). The Kolping Family Holiday Organisation describes itself as "the largest provider of family holiday resorts in Germany" and caters "to young families, women of all ages, married couples and senior citizens", "regardless of religious denomination or Kolping membership".

Overview 134: Family holiday centres run by Kolping-Familienferienwerk e.V.

Postcode / Name / Town	*Beds/Rooms/Park*	*"Value"*
02681 Schirgiswalde	19 houses (117 beds)	3.0 million
17139 Salem	42 flats	3.0 million

36358 Herbstein	29 bungalows	6.4 million
37115 Duderstadt	N/A (2 ha)	2.0 million
55430 Oberwesel	32 rooms (82 beds)	15.0 million
57399 Oberhundem	44 rooms (twin rooms, apartments)	1.8 million
57462 Olpe	42 flats	2.8 million
58769 Wiblingwerde	63 rooms	2.2 million
77887 Hohritt	2 buildings (175 beds) (8 ha)	5.2 million
83317 Teisendorf	4 apartment blocks.	4.0 million
87459 Pfronten	N/A (flats)	2.0 million
87497 Wertach	176 beds	4.0 million
93462 Lambach	Apartment (250 beds)	5.0 million
95505 Immenreuth	N/A	1.5 million
	Total	*57.9 million*

Source: http://www.kolping.de/familienferienwerk/ferienstaetten (Germany only

The facilities are regionally concentrated in the Catholic west and south of Germany. The estimated value of the German facilities is DM 58 million and annual turnover is likely to amount to around 36 million.[451] (One notable property is the Kolping House at Schönburg in Oberwesel: a 1,000-year-old knight's castle in the Lorelei Valley.)

As the family holiday centres are all 'charitable', they receive corresponding state subsidies. Both the families eligible to apply (those on low incomes) and the family holiday centres themselves receive these state subsidies. An example (Free State of Bavaria) is provided to illustrate this.

Overview 135: Subsidies from the Free State of Bavaria for family holidays (2001)

Grants:	
- for family recreation measures in family holiday centres and similar facilities	2,250,000
- for convalescence for mothers or mother/child health	950,000
- for the improvement of family holiday centres	550,000
Total	*3,750,000*

Source: Bavarian Budget 2001, Section 10 07.

As they are reported only as aggregate expenditure, they cannot be attributed to specific providers. Part of this will also already be included in the state grants for youth welfare facilities (see Tables 49 and 50).

[451] The price lists of the institutions are virtually identical, and if one takes as 'typical' for the 50,000 bookings, a family (parents and two children, aged 8 and 13) = 12,500 families, they paid DM 2,847.60 for two weeks in 1998 with full board.

16.2.3. Youth leisure facilities

Another sector, youth leisure facilities, is also not covered by this study.

However, to illustrate the scale involved, the Diocese of Regensburg has been chosen as an example. The BDKJ (Federation of German Catholic Youth) of the diocese lists 30 youth centres in its area that are owned by denominational bodies: 25 Catholic and 5 Protestant. The Catholic facilities are run by parishes (5 centres), the diocese (4), the Kolping Society (3), the KJR (3), the Caritas Association, the Catholic Rural Youth and monasteries (2 each), the St. George Scouts, the KAB, the BDKJ and a parish office (1 each).

If we extrapolate these 30 houses across all regional churches and dioceses, there are likely to be around 1,500 such youth hostels in Germany – and these are by no means sparsely equipped huts.

But let's leave it at that and turn our attention now to the 'bluntly' commercial accommodation.

16.3. Hotels

In the case of Christian hotels, a distinction must be made between the owner and the operator. For example, the Design-Hotel am Gendarmenmarkt in Berlin is owned by a church fund, but is operated by the Dorint Group.[452] The hotel is owned by the Protestant DEFO – a closed-end real estate investment company (see chapter *on Banks/Real Estate Funds*).

16.3.1. Association of Christian Hotels

The religious affiliation is more obvious in the case of the 'Association of Christian Hotels – Germany's oldest hotel cooperative (since 1904). VCH hotels – always the right choice.'[453]

In the past, these hotels were all called 'hospices' and, although this might suggest cheap pilgrim accommodation, they are now all well-maintained mid-range to first-class hotels, most of which are located in central city locations. Although some hotels still bear this 'hospice' designation today, it is unlikely to appear in hotel names in future, as the 'hospice movement' – which is strongly promoted by church circles – now uses the term to refer to 'dying with dignity'.

The names of the hotels in Denmark and Norway illustrate the philosophy underlying these VCH hotels: *Danmarks Missionshoteller and Norske*

[452] *Die Welt*, 15 October 1999, p. R3 (Heinz Horrmann: Dorint visions come true in Berlin)
[453] cf. http://www.euro-hotel.de/vch/hauptteil_index.htm

Misjonshoteller respectively. [454] Established around the middle of the last century, they called themselves 'hospices', "to distinguish themselves from ordinary hotels or inns, to show that they operated on Christian principles and not on an exclusively commercial basis".[455] And further on, under the heading 'The Missionary Mandate of the Christian Hospices', it states: 'If we were to deny it [this mandate, ed.], we would have to remove the word "Christian" from our name.' However: "A hospice is not a charitable organisation, even if it transfers part of its income to institutions of the Home Mission. (...) A hospice, too, must be run according to strictly commercial principles." "The difficulty of the missionary mandate lies in the manner of its execution."

Yet three principles applied to every home: 1. Christian devotions, 2. The Holy Scriptures displayed in the rooms, and 3. the atmosphere of a Christian household community. "In a hospice, the director must become the father of the house (...) and the staff must become a band of faithful helpers."[456] As staff report, this still holds true today.

In terms of their origins, these hotels belong to the Protestant sector and are still members of the EKD's Diakonisches Werk as a 'professional association'. The German association comprises 55 hotels; across Europe, there are 200. Let us remain in Germany.

The average price per bed is DM 108, and 21 hotels still feature the traditional amenities of a prayer room.

Five hotels are directly owned by the church (the *Protestant Centre Rissen* in Hamburg, the *Evangelical Alliance House* in Bad Blankenburg, the *Hotel Lancaster Hall* in London, the *Hotel am Wollmarkt* in Braunschweig and the *Lutheran Hospice* (the guest house of the Provost of Jerusalem).

*Overview 136: Members of the German Association of Christian Hotels *)*

City	*Hotel*	*Single/Double*	*Devotion*
Aachen	Hotel am Marschiertor***	20/30	-
Bad Bergzabern	Friedrichsruhe Spa Hotel***	29/6	yes
Bad Blankenburg	Evangelical Alliance House***	39/23	yes
Baiersbronn-Tonbach	Schwarzwaldgrund	App.	-
Berlin	Hotel Albrechtshof***	5/102	yes
	Hotel Allegra**	38/41	yes

[454] This and further information is taken from the cooperative's comprehensive brochure: *VCH Hotels in Germany 1999*

[455] Association of Christian Hospices and Convalescent Homes: *Fifty Years.* 1904–1954, Berlin (1954), p. 7.

[456] Ibid., pp. 16–21.

	Hotel Christophorus House	46/52	yes
	Hotel Dietrich Bonhoeffer House	20/25	yes
	Hotel Haus der Begegnung	2/36	yes
	Hotel Hospiz Friedenau	7/9	-
Biberach	Landhotel Maselheimer Hof***	6/17	-
Braunschweig	Hotel am Wollmarkt**	14/16	yes
Bremen	Hotel Bremer Haus	32/39	-
Buckow	Seminar Centre Haus Wilhelms-höhe	28/23	-
Chemnitz	Hotel am RabensteinCenter***	0/12	-
Chorin	Hotel Haus Chorin****	11/52	yes
Dresden	Hotel Martha Hospiz***	15/35	yes
Eisenach	Hotel Glockenhof***	10/30	-
	Hotel Haus Hainstein***	22/24	yes
Engelsbach	Engelsbach Hotel Complex****	0/47	yes
Essen	Hotel Essener Hof*****	54/38	-
Falkenberg	Privathotel Villa Fontane	0/8	-
Halle	Hotel Martha-Haus***	10/10	yes
Hamburg	Hotel Baseler Hof***	108/47	-
	Protestant Centre Rissen	50/22	yes
	Scheideholzer Hof***	6/24	yes
Hanover	Hotel Loccumer Hof****	48/39	-
Hasel	Landgasthof Erdmannhöhle***	15/5	-
Hirschegg	The Alphotel***	1/35	-
Juliusruh Seebad	Hotel Atrium	4/48	yes
Kassel	Hotel Garni "KÖ 78"	13/10	-
Leipzig	Hotel Michaelis***	15/44	yes
Loßburg-Wittendorf	Sonnenrain Holiday Village	App.	-
Ludwigsburg	Hotel Favorit	76/15	-
Mannheim	Hotel Wartburg****	36/97	-
Meiningen	Hotel an der Kapelle	2/12	-
Mieseitz	Hotel Wutzler***	24/7	-
Neukirchen/Pürgl	Hotel Feriendorf Pürgl	0/54	-
Oberstdorf	Hotel Viktoria***	2/18	-
	Hotel-Pension Wiesenblick	3/14	yes
Schwarzenbruck/Rummelsberg	Waldhotel Hospiz	10/10	-
Stuttgart	Kronen-Hotel****	70/15	-
	Waldhotel Degerloch***	32/18	-
	Hotel Wartburg***	64/18	-
Tübingen	Hotel Hospiz***	20/28	-
Waldachtal-Oberwaldach	Waldachtal Holiday Village	App.	-
Weimar	Amalienhof Hotel***	13/18	-
Wiesbaden	Hotel Oranien***	50/35	-
Wittenberg	Art Hotel***	5/11	yes
Ede/Lunteren (NL)	Hotel Belmont****	0/50	yes
Gaschurn (A)	Hotel Saladina***	N/A	yes
Jerusalem	Lutheran Hospice	1/22	-
London (UK)	Lancaster Hall Hotel	0/80	-
Rome (I)	Hotel Casa Valdese	0/29	-
Strasbourg (F)	Hotel Pax	0/52	-
Total		*1,052/1,569 = 4,190 beds*	*21*

**) Hotels without a * classification have not yet participated in the voluntary hotel classification scheme.*

Based on the average single/double room rates and an assumed 60 per cent occupancy rate over the year (predominantly central city locations), these VCH hotels achieve an annual turnover (excluding catering) of around DM 100 million. The range extends from approximately eight million at *the Hotel Albrechtshof* in Berlin to the small private hotel *Villa Fontane* in Falkenberg with around 300,000 marks.

With an average profit margin in the hotel industry of 8–9 per cent of turnover, the VCH hotels are left with around DM 8.5 million in profits. If half of this is donated to diaconal institutions, this represents an income of DM 4 million for church-run institutions.

16.3.2. YMCA Hotels

The YMCA is also, organisationally speaking, an association of the Diakonisches Werk of the Protestnts Church in Germany. Worldwide, the (German) YMCA owns 30 hotels. However, the ownership structure is not always clear. Whilst the aforementioned Christian YMCA hotels in London (*Hotel Lancaster Hall*) and Braunschweig (*Hotel am Wollmarkt*) do indeed belong to the German association, new establishments are financed differently. The YMCA is very astute in linking its commercial hotel activities with social engagement and corresponding public funding.

In Dresden, a ship from the 'White Fleet' was converted into a floating hotel using workers on job-creation schemes. In Hamburg, the *Junges Hotel* (135 rooms, opened in March 2000) is "a special project: the owner is a property fund which is financing the new build with 30 million. The tenant is the YMCA subsidiary *Junges Hotel e.V*. Of the 40 jobs in the hotel, 18 are reserved for the long-term unemployed."[457] (Other hotel operators were annoyed about the funding provided by the Hamburg Senate and the Employment Office.)

16.3.3. Catholic hotels

In the Catholic sector, there is no hotel cooperation scheme similar to the Protestant VCH. Only two hotels could be identified that are owned by a religious order (outside the Kolping Society): the *St. Raphael* in Hamburg, which belongs to the *Raphaelswerk*, and the Hotel *Ludwig der Bayer*, which is owned by Ettal Abbey.

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[457] *Hamburger Abendblatt*, 14 March 2000, p. 12 (Hotel offers jobs – Hamburg chips in)

Either it is because the Catholic owners, unlike the VCH hotels, do not see fit to display a sign to that effect on the door – it might put off non-Catholic guests – or there are in fact no other 'Catholic' hotels, because the academies, conference centres and monasteries have always offered travellers accommodation, and there is a Catholic association that established these 'hospices' very early on.

16.3.3.1. Kolping Hotels

The Catholic Kolping Society owns 26 hotels in Germany, 11 of which are operated by the Kolping Society itself and 15 by leaseholders.[458] Unlike the hotels of *the Association of Christian Hotels* and the YMCA hotels, which are in the upper mid-range of the three- and four-star categories, the Kolping hotels, as two- and three-star establishments, are the continuation of former Kolping houses, in which part of the building was converted into a 'hotel'. Apart from one hotel in Berlin, none of the hotels are located in the German 'diaspora', i.e. in areas of Germany where Catholics are in the minority.

Outside the traditional Kolping structure, however, there are now further hotels, run by Kolping GmbHs, some of which are in the top class and whose ownership structures are not exactly 'shouted from the rooftops', as they are legally independent enterprises according to the Kolping Society's self-understanding. Examples include: *the Rückersbach Seminar Centre* (a facility of Kolping-Mainfranken gGmbH), the Hotel and Conference Centre *Schloss Schweinsburg*, *the Kolping Hotel Atrium* in Leipzig, the *Hotel am Bonhoefferplatz* and the Schäferstraße *Apartment House* in Dresden (facilities of Kolping-Bildungswerk Sachsen e.V.), *the Schwarzwald Hotel Hohritt* and the *Seminarhotel Hotel Alpenblick* near Munich, both of which belong to the 'Kolping Group', *the Bigger Hof* training and conference hotel in Olsberg (operated by: Kolping-Bildungswerk, Amsberg Vocational Training Centre), and other guesthouses run by other Kolping vocational training centres.

An economic assessment is not provided here, but it is likely to be in the hundreds of millions.

[458] http://www.kolping.de/vkh/hotels

16.3.4. Other denominational hotels

To illustrate that the hotels described so far represent only a fraction of all hotels run by religious organisations, two further Protestant examples are worth mentioning, which are not listed in an EKD directory.

On the eastern shore of Lake Starnberg near Munich, there are two castles owned by the Protestant missionary society *Wort des Lebens, Germany*: Seeburg Castle and Unterallmannshausen Castle.

"*Wort des Lebens* is a youth mission organisation recognised by the Free State of Bavaria as an independent provider of youth care and welfare and as a non-profit organisation"[459] and is a member of the Evangelical Alliance.

In Holstein Switzerland in Schleswig-Holstein, the Evangelical Free Church-affiliated *Elim Foundation* owns the spacious Hotel *Seeschloss on Lake Kellersee*, plus an 'annex' called *Bethesda*.

With these examples, we wish to move away from the hotel sector and conclude by turning our attention to the catering industry.

16.4. Catering

Alongside 'black tourism', there is also 'black catering', which many people are familiar with and enjoy taking part in, but do not know how the professional sector views it.

16.4.1. The Christian Amateurs

It is certainly cheerful, and good for the parish coffers, when the vicar taps beer in front of the church, the deacon sells lemonade and the parish nurse offers home-made meatballs and baked cakes – but for local restaurateurs, this is a nuisance, even if the sports and shooting clubs do the same. People simply expect more from the church than from a sports club.

And so church authorities have drawn up recommendations to defend the unique nature of parish festivals and to foster harmony. According to the guiding principles: "Parish festivals differ significantly from commercial festivals!" (Less external fuss, simpler food, drinks significantly cheaper...), "Parish festivals serve primarily as a means of personal interaction!", "A festive church service is an integral part of a parish fair!" and so on, the following is ultimately urged: "Observe legal regulations!" (insurance matters, GEMA, health and safety regulations, ...) and finally it is recommended: "Consider whether you might not entrust the organisation and running of the next parish fair to professional hands, i.e. a caterer.

[459] http://www.wdl.de

They have the experience and know the regulations. And if the parish provides the staff on a voluntary basis, there's bound to be a profit as well."[460]

It is certainly less conspicuous when the 'event' takes place within the church: the Elisabeth Parish in Hamburg organised broadcasts of the European Football Championship under the motto 'Ribbeck's boys in God's parlour'. The German team's matches were shown live on a big screen in the church hall, with snacks and drinks available for a small contribution towards costs.

16.4.2. The Christian professionals

They may lack the charm of the homemade, but their takings are certainly impressive.

Andechs Monastery: "Coachloads of visitors from Bottrop and Bangkok flock to today's Holy Mountain; no monk's vows can stop them, but the huge car park certainly does." There are 1.5 million visitors a year, and they want food and drink: "Daily 8.45 am – 8.45 pm. Drinks served until 8 pm. Seating: 2,500; all wooden tables. Food: Wide selection. Pork knuckle, mountain cheese; at the grilled fish stall: fish fillet battered in monastery beer. Beer: Andechser. Verdict: A caravanserai with fabulous beer."[461]

Turnover of the monastery restaurants:[462] DM 40 million (1999).

In Munich, the "Andechser am Dom" is in operation and a nationwide chain of 20 original Andechser restaurants is in the planning stage. The first one has already opened.

[460] http://www.kath.de/bistum/regensburg/pgr/pfarrfe.htm (October 1999)
[461] http://www.biergarten.com/fuehrer/h0152.htm (Andechs Monastery)
[462] http://www.worldonline.de/leis/leis-center/kirche

17. Foundations

Church foundations / Catholic foundations / Protestant foundations / Monastery treasuries / Private foundations / Public foundations

From an economic perspective, foundations are the legal form used to separate a body of assets (cash or share capital, real estate, land, etc.) from private control and to allocate them to a purpose defined in the foundation's statutes. From a human perspective, foundations are a (tax-advantaged) way of leaving a lasting legacy.

Foundations are rooted in a centuries-old legal tradition and are generally regarded as charitable, although this may not apply in every individual case. However, 95 per cent of all German foundations are recognised as charitable and are therefore exempt from gift and inheritance tax.

A fundamental principle and a distinguishing feature from charitable associations is that the foundation's assets remain untouched, and only the income from those assets or other revenue is used for the foundation's purpose.

With the growing trend of operating state institutions (e.g. museums) as foundations, the logic is that, as foundations, they are permitted to tap into their own sources of income alongside ongoing state funding and are organised as legal entities with their own management and supervisory bodies.

Since people normally wish to enjoy their money themselves during their lifetime – unless they have more than enough of it – it is inheritances and bequests that are at issue here. The post-war generation is now reaching the end of their lives, and from around the turn of the millennium, some 2.1 trillion in private wealth is set to be bequeathed in Germany. That is DM 2,100,000,000,000, and the desire to channel some of this money into foundations is correspondingly great.

The state has already responded and amended the law on foundations to the effect that, from 1 January 2000, donations to foundations of up to DM 40,000 and, for newly established foundations, up to DM 600,000 over a ten-year period.

Well-known foundations are primarily found in the state-funded cultural sector (e.g. the Prussian Palaces and Gardens Foundation, the Haus der Kunst Foundation), in the scientific sector (e.g. the Stifterverband für die Wissenschaft, the Jugend forscht e.V. Foundation) and, in particular, the foundations

established by companies and entrepreneurs (e.g. Bertelsmann Foundation: DM 12.3 billion in capital, Robert Bosch Foundation: DM 3.5 billion, Volkswagen Foundation: DM 3.3 billion, 'Zeit' Foundation: DM 1 billion and the Körber Foundation: DM 650 million).

The number of foundations recorded by the Federal Association of German Foundations in Germany is estimated at 9,663 for the year 2000. "Identifying the foundations, their governing bodies and addresses, their purposes and financial circumstances proved (and still proves today) to be painstaking detective work and a labour of persuasion"[463], and they are aware that they are still far from having recorded all foundations in Germany.

According to estimates by the Maecenata Institute for Third Sector Research GmbH in Berlin, there were approximately 100,000 church and ecclesiastical endowments in Germany in 1998,[464] which, due to this large number, were not recorded individually by the institute. However, this is a figure attributed by the Federal Association of German Foundations to the year 1900, and most of these foundations have lost their assets to inflation and therefore no longer (in fact) exist.

All figures are based, on the one hand, on the fact that the foundation is 'known' at all, and on the other hand on the willingness of the foundations to provide information, which is often lacking, particularly in financial matters.

17.1. Church foundations

Church foundations – also known as 'fabrica ecclesiae', 'church building fund', 'church property', 'church fund' or 'church administration'[465]– are a special case.

The following regulation applies: "Separate budgets must be drawn up for church foundations with their own legal personality. The same applies to other foundations if the estimation of their income and expenditure in the budget does not appear appropriate."[466]In other words: although the assets and financial resources of church foundations are not shown in the budget of the regional churches, they are expressly classified as 'special assets'.[467]

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[463] Christoph Mecking: Introduction: The Reality of Foundations in Germany, in: Federal Association of German Foundations (ed.): *Directory of German Foundations 2000*. Darmstadt: Hoppenstedt, 2000, p. IX.

[464] See: http://www.genios.de/sheets/Stiftung.htm

[465] "Church Foundation", in: *Encyclopaedia of Theology and the Church.* Volume Six. Freiburg: Herder, 1997, p. 67.

[466] Section 16 of the Statutory Order, in: Church Law, Statutory Order and Implementing Provisions on Budget, Cash and Accounting, Lutheran Publishing Society Kiel, 1986, p. 34.

[467] Church Law, Statutory Order and Implementing Provisions on Budget, Cash and Accounting, Statutory Order § 15.

The scale of these ranges from a parish endowment, the income from which was/is used to supplement the pastor's salary, to significant and venerable foundations with assets in the hundreds of millions.

The first problem here is that they are not always recognisable as church foundations. Or would you suspect the (Protestant) *Amalie Sieveking Foundation* or the (Catholic) *Karl Kübel Foundation* to be church foundations?

For some years now, the churches (as bodies governed by public law that perform public functions) have been endeavouring to bring new foundations under their own legal supervision: as church foundations.

In April 1999, the Central Institute for Church Foundations (ZkS) was established in the Diocese of Mainz under the patronage of the Bishop (who was also the Chairman of the German Bishops' Conference, Prof. Dr Karl Lehmann), the *Central Institute for Church Foundations* (ZkS) was founded with the aim of "further developing and sustainably promoting church foundations, particularly those established by private will – 'immortal' expressions of human aspiration, as it were – in a manner appropriate to the times".[468] For: the existence and quality of charitable services aimed at shaping the Christian world and way of life are threatened by the severe shortfalls in public and church finances. "Far too few people are aware that every founder can entrust their foundation, even one bearing their own name, to the care and stewardship of the Church without this resulting in church assets."

The partner of the Diocese of Mainz for the newly founded *Central Institute for Church Foundations* (and also the postal address of the Central Institute) is *Dresdner Private Banking* – a subsidiary of Dresdner Bank that provides highly advisory-intensive services to wealthy private clients – and this explains why it is emphasised that these new church foundations do not generate church assets: The potential, wealthy clientele of 'Dresdner Private Banking' is presumably not to be scared off; rather, it emphasises that the churches offer a better guarantee for the supervision of foundations than state institutions, which, as is well known, have changed their legal form far more frequently than the Catholic Church.

Why they are then called 'church' foundations is not explained but can be found in the German Gift Tax Act. Section 13, paragraph 1, point 6b states: 'Donations to domestic bodies, associations of persons and asset which,

[468] New Central Institute for Church Foundations (ZkS) established, in: http://www.kath.de/bistum/mainz/texte/zks/zks1.htm (8/1999)

according to their statutes, the deed of foundation (...) serve exclusively and directly ecclesiastical, charitable or benevolent purposes."

According to Section 54 of the AO (German Fiscal Code), 'church purposes' are activities "aimed at selflessly promoting a religious community that is a body under public law." (Maintenance of places of worship, training of clergy, provision of religious education, administration of church assets, remuneration of clergy and their pension provision.)

An activity is 'charitable' under Section 52 of the AO if 'the activity is aimed at selflessly promoting the general public in material, spiritual or moral matters'. 'Charitable activity' exists under Section 53 of the AO if the "activity is aimed at selflessly supporting persons who 1. are dependent on the help of others due to their physical, mental or emotional condition, or 2. whose income does not exceed four times the standard rate of social assistance ...".

It is true that, legally speaking, a church foundation does not constitute church property, as the foundation is independent and, accordingly, they were not secularised in 1803 – but, depending on the purpose of the foundation (usufruct, Section 868 of the German Civil Code) or the composition of the board (actual power of disposal, § 854 BGB), it effectively belongs to church property. Anything else is mere quibbling or formal legal technicalities.

Every foundation has its own legal personality and is, in this sense, its own property. A prominent example will now be used to clarify whether these ecclesiastical foundations constitute church property – whereby 'church' is not restricted to 'the established state church'.

This situation will be illustrated using the example of *the Juliusspital* in Würzburg, whose vineyard has already been mentioned (chapter *on Klosterbräu and Bischofswein*).

17.1.1. Church foundations ?

In 1576, the Prince-Bishop of Würzburg, Julius Echter von Mespelbrunn, established this foundation by deed of foundation 'for all manner of poor, sick, destitute, and infirm people in need of medical and other remedies, as well as abandoned orphans and passing pilgrims and needy persons' [469].

The purpose of the foundation was to strengthen the Catholic sphere of influence during the Counter-Reformation through social welfare. A very astute measure, which is still applied today, for example by Muslim

[469] All quotations and references, unless otherwise stated, are from: http://www.juliusspital.de

'fundamentalists' in Egypt, who win over the people in the poor districts of Cairo through free medical care and soup kitchens.

To enable it to fulfil its purpose, Prince-Bishop Julius Echter von Mespelbrunn had a hospital built and endowed his foundation (with which he erected a monument to himself) with rich benefices: agriculture, forests and vineyards in prime locations.

The prince-bishops were both secular rulers (princes) and spiritual leaders (bishops) in one person. With mediatisation, their territory, which had hitherto been directly subject to the Empire, was incorporated into other states, meaning that the prince-bishops lost their status as princes and territorial rulers. This secular function passed to the state.

Today, the Juliusspital, as a foundation, is a body governed by public law and is formally subject to the legal supervision of the Bavarian Ministry of the Interior in Munich. In substance, however, the Bishop of Würzburg makes the decisions, as, in accordance with the foundation's statutes, the 'Director of the Supervisory Office' (the official title of the foundation's chair) is appointed on his recommendation. The proceeds also still partly benefit the foundation's charitable and benevolent work, although the foundation itself attaches great importance to *not* belonging to Caritas e.V.

Under these two criteria (actual power of disposal, usufruct), the foundation is undoubtedly to be classified as church property. The further criterion of a church foundation also applies: the fact of 'its special organisational connection' [470] to the Catholic Church, since in practice the Bishop appoints the Director of the Oberpflegeamt.

The Juliusspital – as the entire foundation with all its institutions is known – is regarded as an "exemplary Catholic institution" [471], even though one member of staff cheerfully told me: "People always say we have a Catholic character – we just don't notice it." This may be because, since 1993, the foundation has been run by a Director of the Senior Care Office who views the foundation as follows: "Today, the Juliusspital is a holding company with individual profit centres and clear profit targets."[472]

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[470] Hein Ulrich Röder: Under the Church's Roof. Church foundations have not been sufficiently researched, in: *Deutsche Stiftungen*, Communications of the Federal Association of German Foundations, Issue 3/2000, p. 52.

[471] Daniela Horvath: Wine & Welfare, in: *stern*, 17 September 1998, p. 160.

[472] Daniela Horvath: Wine & Welfare, p. 160

According to its own description, the foundation has four sources of income: the hospital, the vocational school, the retirement, care and benefice home, agricultural estates, woodland and the vineyard. The value of the real estate assets is calculated as follows:[473]

Agriculture: 1,044 ha × DM 41,577/ha	=	DM 43,406,388
Forest holdings: 3,390 ha x DM 5,000/ha	=	DM 16,950,000
Vineyards: 163 ha x DM 50,000/ha	=	DM 8,150,000
Land holdings 4,597 ha	=	*DM 68,506,388*

Notable real estate holdings include: the Baroque Juliusspital with 380 beds, the retirement, nursing and endowment home with 200 places, the Zehntscheune conference centre with four function rooms and a garden pavilion, the Rotkreuzhof with its 'stately manor house', the 'well-appointed estate' of the Jobsthaler Hof, and the 'imposing barns and residential buildings' of the Seligenstadt estate. Property value (estimate) DM 32,000,000. Wine sales had already been calculated in the relevant section; agricultural yields are also likely to amount to several million, as the estate primarily produces seed.

In the retirement home, a single room with en-suite bathroom costs DM 2,394 per month, and in the nursing home, depending on the care level and whether it is a single /shared room, between DM 2,297 and DM 5,168 per month. This represents an income of 5–8 million marks per year.

This own calculation / estimate of the Juliusspital's endowment assets totalling around 105 million marks could then, by chance, be compared with the Juliusspital's official figures, which itself puts its assets at 138 million and, in 1999, additionally reports a 'turnover' of 109 million (from service fees for the hospital and nursing home).[474]

We have already encountered church foundations frequently in the preceding chapters. In the concordats, tax legislation (tax exemption), the Catholic University of Eichstätt, the housing associations and the vineyards. These examples alone indicate that church foundations are to be found particularly in the Catholic sector. With regard to the classification 'church purposes', the Federal Association of German Foundations lists 350 foundations, including,

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[473] Unlike the calculations for general land ownership, for which the all-German average figures were used, the figures for agricultural land here refer to the 1995 figures for Würzburg in the 'former Federal Republic'. See Federal Statistical Office: 'Economy and Statistics', No. 10/1996, p. 600 ff.

[474] Federal Association of German Foundations (ed.): *Figures, Data, Facts on the German Foundation Sector*, Darmstadt: Hoppenstedt, 2000, p. 14, and also: Hein Ulrich Röder (who conducted the survey): Under the Church's Roof, in: Communications of the Federal Association of German Foundations, Issue 3/2000, pp. 51–52.

among others, the Juliusspital in Würzburg, the Catholic University of Eichstätt, as well as the Protestant Foundation for the Preservation of Ecclesiastical Monuments in Germany and the Foundation of Protestant East Prussia.

However, this specific purpose covers only a small proportion of church foundations, since, for example, whilst the oldest foundations in Germany are all denominational, none of them pursue ecclesiastical but rather 'social purposes'.

Overview 137: The oldest foundations still in existence in Germany

Since	*Name of the foundation*	*Registered office*	*Purpose*
900	United Pfründnerhäuser	Münster, North Rhine-Westphalia	Welfare
950	Wemding Hospital Foundation	Wemding, Bavaria	Old
1100*)	Magdalenenhospital Foundation	Münster, North Rhine-Westphalia	Old
1150	St. Nikolaispital Foundation	Munich, Bavaria	Charity
1161	St John's Court Foundation of 1161	Hildesheim, Lower Saxony	Old
1172	St. Benedict's Hospital Fund	Hanover, Lower Saxony	Old
1173	St. Johannis Convent	Lübeck, Schleswig-Holstein	Old
1180	St. Elisabeth Hospital Foundation	Ellingen, Bavaria	Old
1200*)	Holy Spirit Hospital Foundation	Landshut, Bavaria	Old
1200*)	Hospital Foundation	Lauingen, Bavaria	Welfare
1200*)	"Zum heiligen Geist" Hospital	Heiligenstadt, Thuringia	Old
1200*)	Care in a nursing home	Würzburg, Bavaria	Old
1200*)	Ehehaltenhaus Foundation	Würzburg, Bavaria	Old
1200*)	St. Johannis Hospital Foundation	Passau, Bavaria	Old
1200*)	Unterhospital Foundation	Memmingen, Bavaria	Old

Source: Federal Association of German Foundations (ed.) 'Figures, Data, Facts on the German Foundation Sector.' Darmstadt: Hoppenstedt, 2000, p. 11.

**) Historical uncertainties regarding the exact year of establishment.*

17.1.2. Catholic foundations

According to a survey by the Archdiocesan Ordinariate in Munich, there are 19,327 independent foundations with legal capacity operating within the Catholic Church, which are supervised by the dioceses. For example, the Archdiocese of Bamberg (918 foundations) pays 558 members of the 'church foundation staff' from the diocesan budget.[475]

In addition, there are reportedly 2,122 non-legal, dependent foundations within the Catholic sphere, such as estates and bequests; however, there is "no clarity on the actual total number, either within the Church or generally".[476]

[475] see http://www.erzbistum-bamberg.de/inzahlen.htm

[476] Christoph Mecking: Introduction: The Reality of Foundations in Germany, in: Federal Association of German Foundations (ed.): *Directory of German Foundations*. Darmstadt: Hoppenstedt, 2000, p. X.

Overview 138: Catholic ecclesiastical foundations with legal capacity (1999)

(Arch)diocese	*Total*	*Of which: Foundations of the ...*	
		public law	*private law*
Aachen	1,312	1,300	12
Augsburg	2,500	2,485	15
Bamberg	918	916	2
Berlin	7	3	4
Dresden-Meissen	2	1	1
Eichstätt	900	900	-
Erfurt	59	59	0
Essen	16	0	16
Freiburg	2,521	2,519	2
Fulda	154	152	2
Görlitz	1	1	0
Hamburg	4	4	0
Hildesheim	5	4	1
Cologne	2,033	2,010	23
Limburg	15	-	-
Mainz	18	7	11
Munich and Freising	2,375	2,375	0
Münster	1,491	1,401	90
Osnabrück	6	1	5
Paderborn	28	0	28
Passau	678	678	0
Regensburg	1	0	1
Rottenburg-Stuttgart	2,105	2,084	21
Speyer	658	658	0
Trier	24	12	12
Würzburg	1,496	1,495	1
Total	*19,327 *)*	*19,065*	*247*

*Source: Christoph Mecking: 'Introduction: On the Reality of Foundations in Germany', in: Federal Association of German Foundations (ed.): Directory of German Foundations 2000. Darmstadt: Hoppenstedt 2000, p. X, and (author of the survey): Hein Ulrich Röder: Under the Umbrella of the Church. Church Foundations Have Been Insufficiently Researched, in: Mitteilungen des BDS, 3/2000, pp. 51–52. *) The total figure is 15 higher than the sum of the digits, as no breakdown was provided for Limburg.*

However, even this high number of foundations does not yet include all Catholic foundations, as all North and East German dioceses (due to the Prussian Law on Ecclesiastical Property of 1924) have no legal oversight whatsoever over, for example, parish benefice foundations. Thus, the fourteen (arch)dioceses of Berlin, Dresden-Meissen, Erfurt, Essen, Fulda, Görlitz, Hamburg, Hildesheim, Limburg, Mainz, Osnabrück, Paderborn, Regensburg and Trier together list only 237 church foundations (average per diocese: 17 foundations).

The other ten (arch)dioceses together list 18,329 foundations under ecclesiastical supervision (average: 1,833 foundations). Even if the number of Catholic foundations in northern Germany is considerably lower, this indicates that

the total number of Catholic foundations is at least 10,000 higher than the reported figure of 19,327 foundations.

17.1.3. Protestant foundations

In the Protestant sector, 1,700 foundations are administered by the *Protestant-Lutheran Association of Parish Endowments*. These are likely to be smaller parish endowments and widows' funds, i.e. predominantly real estate and land holdings at the parish level, from which subsidies for the pastor's salary and widows' pensions are traditionally generated.

However, there are certainly some very wealthy parochial benefice foundations, primarily on the outskirts of expanding major cities (such as Munich, Hamburg, Frankfurt, etc.), which have been able to market their cheap pasture land very profitably as expensive building plots.

There is no comprehensive overview of other Protestant foundations. Of the 350 foundations for ecclesiastical purposes already mentioned, 74 clearly belong to the Protestant sector, based on their names.

However, it is precisely in the Protestant sector that the number of foundations is likely to increase very significantly, particularly among the large foundations, as, for example, the largest institution-sponsoring foundation, the SRH Holding (assets: DM 637 million), belongs to the Diakonisches Werk. Of the 15 largest institutional foundations in Germany, seven foundations, which together report assets of DM 2.2 billion, belong to the Protestant sector.

Overview 139: The 15 largest institutional foundations, 2000

Church foundation		*Assets*	*Expenditure **)*
SRH Holding (Heidelberg Rehabilitation Foundation)	E	637,000,000	752,300,000
Liebenau Foundation		557,561,000	76,233,000
Braunschweig Association for Monastery and Study Funds	E	400,000,000	8,942,000
Protestant Johannesstift Berlin	E	350,259,000	136,690,000
Protestant Alsterdorf Foundation	E	277,273,000	263,021,000
Meyer'sche Häuser Foundation		277,000,000	30,000,000
Konstanz Hospital Foundation *)		202,808,000	160,135,000
Prince Donnersmarck Foundation, Berlin	E	200,000,000	60,500,000
Foundation for the Blind		198,000,000	100,180,000
Bethel Institution	E	189,448,000	631,745,000
Hofrat Hessing Foundation		177,000,000	67,960,000
Juliusspital Würzburg Foundation		138,045,000	109,127,000
Protestant Charitable Foundation	E	118,056,000	35,084,000
Total		*3,722,450,000*	*2,271,782,000*

Not included:		
Orphanage Foundation under public law	130,128,000	26,791,000
Karl Schlecht Foundation (KSG)	400,000,000	1,000,000

**) The attribution of the Bürgerhospital Konstanz is open to dispute, as its history reflects a centuries-old dispute between the Church and the City of Konstanz over who is the sponsor of this foundation. Current status: the citizens of Konstanz. However, the foundation originated from a donation by the bishop and 'pious donations'.*
***) The total expenditure of these foundations generally does not stem from the but from service fees, such as care rates.*

Source: Bundesverband Deutscher Stiftungen e.V. (ed.): 'Zahlen, Daten, Fakten', p. 14. (Classification based on self-description / consultation with the respective foundations).

However, the EKD, and also individual regional churches on a random basis, had no knowledge whatsoever of Protestant foundations. Only the Protestant Regional Church in Bavaria, which organised an exhibition: 'Stiften gehen' or: 'When does money make you happy?'[477], knows the number of church foundations in its regional church: 150. Assuming that the Protestant Regional Church represents ten per cent of the EKD, there would be a further 1,500 or so church foundations in the Protestant sector, in addition to the 1,700 parochial foundations already mentioned.

However, 15 of the 24 Protestant regional churches have now also recognised that foundations are useful and (in March 2001) had approximately 160,000 information leaflets produced (for church parishes, hotels, doctors' surgeries, law firms), with a clear statement regarding the 2 trillion mark in inheritances: "A portion of these assets should benefit the church."[478]

17.2. Monastic Chambers

A distinctive feature of church foundations are the monastery chambers. These comprise the Protestant *General Hanover Monastery Fund* of the Hanover Monastery Chamber, the Protestant *Brunswick General Monastery and Study Fund*, and the ecumenical *United Church and Monastery Chamber* in Erfurt (60 per cent Catholic, 40 per cent Protestant).

All these independent institutions arose from the state consolidation of various monasteries and church foundations (Hanover and Brunswick after the Reformation, Erfurt after the Second World War), which were not, however, merged with state assets, but were transferred to state administration as special funds and foundations for church purposes (as state authority or special

[477] http://www.bayern-evangelisch.de/aktuell/thema/stiftung (1/2001)
[478] EKD press release of 26 March 2001.

department), yet remained legally and financially independent. In the spirit of the Reformation, they were therefore not expropriated, but rather redefined in their ecclesiastical purpose, i.e. reformed and liberated from 'Catholic superstition' in their foundation's purposes.

Overview 140: Income / Assets of the Monastery Chambers

	Income	*... based on =*	*Assets*
Hanover Monastery Chamber (General Hanover Monastery Fund) 1996			
Ground rents	19,270,000	1,161 ha (4% interest)	481,750,000
Rents/Leases	1,020,000		
Mineral resources	1,480,000		
Agriculture	4,740,000	11,000 ha / DM 21,287	234,157,000
Forestry / Woodland	9,370,000	25,514 ha / DM 5,000	127,570,000
Fixed assets	3,790,000	(at 4% interest)	94,750,000
Miscellaneous	530,000		
Total	*40,200,000*	*37,678 ha .*	*938,227,000*
Braunschweig United Monastery and Study Fund (1999)			
Total			*400,000,000*
United Church and Monastery Chamber of Erfurt (1997)			
Arable land		1,340 ha / DM 21,287	28,524,600
Forest		217 ha / DM 5,000	1,085,000
Total		*1,557 ha .*	*29,609,600*
Total			***1,367,836,600***

Sources:
- *Klosterkammer Hannover: "Klosterfonds und Klosterkammer Hannover", in: Nieder-sachsen. Zeitschrift für Heimat und Kultur, vol. 97, August/September 1997, pp. I–XLIV.*
- *Braunschweig United Monastery and Study Fund: Federal Association of German Foundations: "Figures, Data, Facts", 2000, p. 14*
- *United Church and Monastery Chamber of Erfurt: 50 Years of the United Church and Monastery Chamber, in: Tag des Herrn, 14/97, Diocese of Erfurt, from: http://www.kath.de/benno/tdh/1997/erfurt/tdhe9714.htm.*

Conversion of income figures to assets: own calculation,

The assets of these three foundations alone amount to a total of 1.4 billion (DM 1,367,800,000).

- Klosterkammer Hannover	DM	938,227,000
- Braunschweig Fund	DM	400,000,000
- United Monastery Chamber of Erfurt	DM	29,610,000

These three foundations indicate that the considerable differences in size between the large, wealthy foundations and small parish endowments also exist within the Protestant sector.

17.3. Summary / Assessment of church foundations

According to the figures mentioned above, there are in total in Germany:
19,327 Catholic foundations with legal capacity
(2,122 Catholic foundations without legal capacity),
1,700 Protestant benefice foundations, and
an estimated 1,500 Protestant foundations.

With regard to the assets and annual expenditure of these foundations, a first approximation is provided by the overview of the 15 largest institutional foundations in Germany, 13 of which belong to the denominational sectors and which have assets of 3.7 billion (DM 3,722,450,000) and total expenditure of 2.3 billion (DM 2,271,782,000). (See Overview 139)

No such figures are available for all existing foundations, and if they do exist, as I have been told, they are not published. We must therefore arrive at a plausible estimate by treating the asset classes of the foundations recorded by the Federal Association of German Foundations as a transferable 'normal distribution' and applying their percentage shares to the church foundations.

Overview 141: Asset classes of German foundations and Catholic foundations (2000)

Asset class (in TDM)	*Foundations BDS*	*Pro-per-cent*	*Catholic Foundations*	*Average Assets*	*Total assets*
Up to 1,000	2,722	60.0	11,596	500	5,798,000
Up to 2,500,	598	13.2	2,551	1,250	3,188,750
Up to 5,000	420	9.3	1,797	2,500	4,492,500
Up to 10,000	280	6.2	1,198	5,000	5,990,000
Up to 25,000	271	6.0	1,160	12,500	14,500,000
Up to 50,000	102	2.2	425	25,000	10,625,000
Up to 100,000	62	1.4	271	50,000	13,550,000
Up to 500,000	61	1.3	251	125,000	31,375,000
Up to 1,000,000	11	0.2	(39)	-----	----
More than 1,000,000	11	0.2	(39)	-----	----
Total	*4,538*	*100.0*	*19,327*	*(4,632)*	*89,519,250*

Source: Asset classes + number of foundations BDS: Federal Association of German Foundations: Figures, Data, Facts. Darmstadt: Hoppenstedt, 2000, p. 7. Church foundations: see main text, average value + total assets: own calculations

Excluding the top two size categories of all German foundations, which comprise only the few large industrial and state foundations, this results in assets of 89 billion (DM 89,519,250,000) and, for the 3,200 Protestant foundations, assets of 15 billion (DM 14,897,500,000), meaning that, as a guideline,

all church foundations together have a minimum net worth of 104 billion marks.

Overview 142: Asset classes of German foundations / Protestant foundations (2000)

Asset class (in TDM)	*Foundations BDS*	*Pro-per-cent*	*Protestant Foundations*	*Average Assets*	*Total assets*
Up to 1,000	2,722	60.0	1,920	500	960,000
Up to 2,500	598	13.2	422	1,250	527,500
Up to 5,000	420	9.3	298	2,500	745,000
Up to 10,000	280	6.2	198	5,000	990,000
Up to 25,000	271	6.0	192	12,500	2,400,000
Up to 50,000	102	2.2	71	25,000	1,775,000
Up to 100,000	62	1.4	45	50,000	2,250,000
Up to 500,000	61	1.3	42	125,000	5,250,000
Up to 1,000,000	11	0.2	6	-----	----
more than 1,000,000	11	0.2	6	-----	----
Total	*4,538*	*100.0*	*3,200*	*(4,655)*	*14,897,500*

Source: Asset classes + number of foundations BDS: Federal Association of German Foundations: Figures, Data, Facts. Darmstadt: Hoppenstedt, 2000, p. 7. Church foundations: see main text, average value + total assets: own calculations

The extraordinary disparity in the orders of magnitude is illustrated by the fact that 60 per cent of church foundations have only 6.5 per cent of the total foundation assets at their disposal.

The calculated average assets of all church foundations, at 4.6 million each, clearly fails to reflect the reality of these discrepancies. However, this figure is targeted when establishing new foundations, as a foundation endowment of DM 5 million at a 6 per cent interest rate yields DM
300,000 in income, which is the minimum required for the foundation to be able to carry out 'serious' activities.

Let us now assume, as a next step, that most church foundations operate in the social sector, i.e. their total expenditure is predominantly covered by service fees, a parallel calculation based on the distribution by size category (Overview 143) of church foundations yields a total expenditure budget of 80 billion (DM 79,896,322,500).

This sum, which may seem surprisingly high at first glance, is due in part to the fact that charitable foundations in particular generate income from service fees, such as care rates. This is illustrated by the example of the Anstalt Bethel Foundation, which, with assets of 189 million marks, incurs total expenditure of 632 million. However, the assumption that the Anstalt Bethel Foundation therefore belongs to the 'wealthy foundations' is far from the truth, as the expenditure is financed by payments from the public purse which, for example,

are not based on the necessary investments for the maintenance of existing fixed assets.

Overview 143: Total expenditure by category of German foundations, 2000, for foundations focusing on 'social purposes' / All church foundations

Total expenditure Class / DM	*Foundation BDS*	*Per-cent*	*Church foundations*	*Average Expenditure*	*Total expenditure*
Up to 10,000	439	16.2	3,649	5,000	18,245,000
Up to 25,000	284	10.5	2,365	12,500	29,562,500
Up to 50,000	280	10.3	2,320	25,000	58,000,000
Up to 100,000	320	11.8	2,658	50,000	132,900,000
Up to 250,000	346	12.7	2,861	125,000	357,625,000
Up to 500,000	238	8.8	1,982	250,000	495,500,000
Up to 1,000,000	156	5.7	1,284	500,000	642,000,000
Up to 5,000,000	321	11.8	2,658	2,500,000	6,645,000,000
Up to 10,000,000	103	3.8	856	5,000,000	4,280,000,000
Up to 25,000,000	91	3.3	743	12,500,000	9,287,500,000
Up to 50,000,000	58	2.1	473	25,000,000	11,825,000,000
Up to 100,000,000	43	1.6	360	50,000,000	18,000,000,000
Up to 250,000,000	27	1.0	225	125,000,000	28,125,000,000
Up to 500,000,000	6	0.2	45	-----	-----
More than 500,000,000	6	0.2	45	-----	-----
Total	*2,718*	*100*	**(22,524)*	*(3,551,000)*	*79,896,332,500*

Source: Asset classes + number of foundations BDS: Federal Association of German Foundations: Figures, Data, Facts. Darmstadt: Hoppenstedt, 2000, p. 33. Church foundations: see main text, average value + total assets: own calculations.
** ( ) Due to the percentages, the total does not amount to 22,527 foundations.*

17.4. Private foundations

In addition to church foundations, there are foundations that are not owned by the church but whose activities partly benefit the churches, as the churches are counted among the 'socially relevant' associations.

German Foundation for Monument Protection: A private foundation with over 95,000 members, which also regularly receives lottery funds from the *Glücks-Spirale* and, at times, federal funding.

From 1991 to 1998, the foundation spent 357 million (of which 290 million came from the proceeds of the *Glücks-Spirale*) on the preservation of over 1,400 historic buildings in the Federal Republic.[479] In 1997 (36 million), the focus of funding was "the rescue of village and town churches in the new federal states that were 'in some cases under dramatic threat'".[480]

[479] German Foundation for Monument Protection, *press release* of 8 November 1999: "Behold, what a precious heritage".
[480] See *Berliner Morgenpost*, 9 September 1998. (36 million for heritage conservation).

From 1990 to 1997, for example, the restoration of St. George's Church in Wismar – "Current use: none; future use: ecclesiastical and cultural" – was funded with DM 14,172,326.[481] DM 500,000 was contributed towards the restoration of the organ at St. Johannis Parish in Ursberg (total cost DM 700,000); the remainder was covered by the Bavarian State Foundation and the parish. [482]

If we again assume that 30 per cent of the monuments are church-related, a total of DM 119 million from the Foundation's funds has gone to the churches, with approximately 11 million in 1997 alone.

In order to provide long-term care and protection for individual properties, the German Foundation for Monument Protection has established private foundations which it administers in a fiduciary capacity. Church institutions benefit, for example, from the

- *Ernst Allmendröder Foundation* for the Philippuskirche in Kleinwerter;
- *the Dr Frigga Beetz Foundation* for the west choir of Naumburg Cathedral;
- *the Dr Alfred Fischer Foundation* for St Stephen's Church in Tangermünde;
- *the Bodenstein Foundation* for the collegiate church of Gernrode in the Harz Mountains. [483]

Other private foundations also provide support for the churches. For example,

- the *Bertelsmann Foundation funds* church meetings and conferences, publications by Protestant academies and the long-term project 'Spiritual Orientation. The Future of the Church' (1995–1999) [484]
- The *ZEIT Foundation* (Ebelin and Gerhard Bucerius) is providing a total of 1.5 million marks for the restoration of historic organs in churches in Mecklenburg-Western Pomerania.[485]
- The *Körber Foundation* is providing 'significant' support for a two-year postgraduate "Community Economics" at the Protestant University of the Rauhes Haus in Hamburg, starting in April 2001.[486]
- The *Commerzbank Foundation* is supporting the "Job Management" project "Job Management" project run by the Faculty of Theology in Erfurt with a cheque for DM 10,000. [487]

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[481] German Foundation for Monument Protection, at: http://www.denkmalschutz.de/denkmal/wismar.htm
[482] German Foundation for Monument Protection, press release dated 19 November 1999
[483] *MONUMENTE*. Magazine for Monument Culture in Germany, Vol. 10, No. 7/8, August 2000, pp. 63/63 and p. 74.
[484] http://www.stiftung.bertelsmann.de (search function "Kirche")
[485] *Hamburger Abendblatt*, 30 September/1 October 2000, p. 11.
[486] *Hamburger Abendblatt*, 4 December 2000 (special supplement "Die Kirchen. December 2000 to March 2001", p. 12.)
[487] http://www.kath.de/bistum/erfurt/aktuell/2000/18.htm (8 February 2000)

17.5. Public foundations

But public foundations, i.e. foundations with endowments established by the state, also do good for the Church:

- The *Cultural Foundation of the German States*,

active since 1988, has set itself the task of "promoting and preserving art and culture of national significance"[488]. Among the "highlights" of the "outstanding funding projects" are, among others, the famous medieval church treasure of Quedlinburg and an 800-year-old ivory cross in Cologne, which have been transferred to "public ownership". In 1993, the Cultural Foundation (which pays a maximum of one-third) contributed 4.5 million marks towards the repurchase of 12 items from the Quedlinburg church treasure, which had been stolen by an American officer in 1945.[489]

- The *German Federal Environmental Foundation.*

In 1990, the proceeds from the sale of the federally owned Salzgitter AG (DM 2.519 billion) were contributed as the foundation's endowment – and of the 3,200 projects funded since then with 1.4 billion, 190 projects are church restorations from the foundation's funding area 12: "1. Remediation of environmental damage and protection against negative environmental impacts, 2. Preservation of cultural heritage with regard to environmental aspects."[490] The Diocese of Erfurt proudly reports: "Medieval cathedral windows are being restored."[491] The work will take four years. Grant from the Foundation: 9.5 million. With an average grant of DM 400,000 per project, the Foundation has spent 76 million over the past ten years on the remediation of environmental damage to church buildings. In 1999, the foundation funded 58 projects for "church institutions" with a total grant of 7 million marks (DM 7,255,861).[492] At least 21.3 million marks have thus been paid out from these public foundations to the churches.

These examples alone show that further private and public foundation funds are certainly flowing to the churches.

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[488] http://www.kulturstiftung.de/Aufgaben

[489] *ZDF programme* "Kulturstifter in Zeiten des Rotstifts" (Cultural benefactors in times of budget cuts) broadcast on 7 January 2001 at 10.30 pm.

[490] http://www.dbu.de/foerderung

[491] http://www.kath.de/bistum/erfurt/aktuell/2000 (17 February 2000)

[492] German Federal Environmental Foundation: *Annual Report 1999*, p. 153.

18. Religious orders

Religious Orders / Benedictines / Secular Religious Orders / Teutonic Order / Order of Malta / Order of St John / Order of the Holy Sepulchre

In this chapter, we will discuss the 'religious', i.e. the religious orders of nuns and monks, as well as the recognised secular religious orders.

18.1. Religious orders / Order of the Holy Sepulchre

The Christian, almost exclusively Catholic religious orders, which have been officially designated 'Institutes of Consecrated Life' since 1983 (though there are also thirty Protestant 'communities'), receive no funding from church taxes.

As Catholic religious orders, they do require the Pope's approval, but are otherwise organised within their own structures and provinces and are not subject to any diocesan bishop. In this sense, they are autonomous sub-sectors of the Catholic sector.

We have already encountered religious orders, either explicitly or implicitly, in the preceding chapters.

The following are mentioned on the advisory boards of church banks:

- PAX Bank: Father Manfred Richter SJ (Superior of the Ignatius House), Father Andreas Müller OFM (Franciscan Mission Centre), Sister Gi-sela Happ OSB (Prioress of St Hildegard Benedictine Abbey), Brother Berndward Norbert Elsner (Superior General of the Congregation of the Merciful Brothers of Maria Hilf), Abbot Ansgar Schmidt OSB (St Matthias Benedictine Abbey). In other words: Jesuits, Franciscans, Benedictine nuns and Benedictine monks.
- LIGA: (On the Supervisory Board:) Sr. Gonzaga Helmich, Augsburg (Women's Order), Karl Adolf Kreuse, Munich, SJ (Priestly and Monastic Order).

In October 1998, the *Bank for Social Economy* registered its first capital increase – since its conversion into a public limited company – amounting to 5 million. "As preference shareholders without voting rights, a number of religious orders (...) now hold a stake in the bank."[493] It is therefore unlikely that mendicant orders are involved.

In this context, it is noteworthy that the Department of Catholic Theology at the Johann Wolfgang Goethe University in Frankfurt am Main is conducting a 'Research Project on Ethical-Ecological Rating'

[493] Bank for Social Economy: *Annual Report 1998*, p. 33.

is being conducted.[494] The project focuses on the question of how one can invest one's capital in ethically and ecologically 'clean' companies or funds. It is noteworthy that "the Thuringian Province of the Franciscans, as an institutional investor, has expressed an interest in ethical-ecological ratings. In accordance with the principles of the Franciscan Order, the Franciscans regard it as a prophetic duty in our society to manage their investment capital according to ethical criteria." So let us consider the economic situation of the religious orders.

They have already been mentioned in connection with monastery breweries, as well as in tourism, banking and state payments for religious education. And these payments for religious education highlight a particular problem facing religious orders: their shortage of new recruits.

In the 1997/98 budget of the State of Bavaria, out of a total of 125 million for religious education, 10.6 million was paid to teachers from 'church cooperatives'. In the 2000 budget, which allocates a total of 128 million for religious education, only 9 million is paid to religious education teachers from religious orders.

In North Rhine-Westphalia, in addition to state-employed religious education teachers, a few secondment agreements are also concluded with the churches; however, not a single one is with the Catholic Church, as it can no longer provide staff for this purpose.

Whereas in 1969 there were still 829 branches of 'male religious orders' with 12,049 members, by 1974 there were only 808 branches with 10,651 members. Among nuns, the 'female religious', the figures fell in parallel over the same period: from 7,212 branches with 87,489 sisters to 6,404 with 77,329 sisters.

Whilst the number of members among both monks and nuns fell to 88 per cent, the number of novices among monks dropped from 282 to 152 and among nuns from 1,149 to 405 novices, i.e. a reduction to 54 per cent and 35 per cent respectively within five years.

This steady decline in members and communities, at around two per cent annually, is also evident in the latest figures for 1999. Among women religious, there are now only around 3,000 communities (compared to 6,404 in 1974) with 32,715 sisters (compared to 77,329 in 1974). Among male religious, the number of communities has fallen from 808 to 590, and the number of members has fallen from 10,651 to 5,859.

[494] See http://www.rz.uni-frankfurt.de/fb6b/rating/prjekt.html

The number of novices does not even make up ten per cent of those who have died. Nuns are particularly affected, as their age structure highlights the severity of the problem: in 1966, of the 36,265 sisters, 13,682 (38%) were under 65 years of age, whereas 22,583 (62%) were already over 65. If the decline in membership continues at a linear rate, the women's orders (with an average annual 'loss' of 1,560 nuns) will have only around 3,000 nuns and 250 convents remaining in 21 years. Efforts are currently being made to address this by recruiting nuns from Asia.

The same decline in membership applies to the male religious orders. According to this logic, only the priestly orders will survive for another 42 years.

Overview 144: Monastery statistics for the years 1969–1974 and 1996–1999

Year	*Male religious*					
	Netherlands	*Priests*	*Clerics*	*Lay brothers*)*	*Novices*	*Total*
1969	829	6,752	922	4,093	282	12,049
1970	830	6,765	782	3,955	212	11,714
1971	815	6,825	685	3,904	206	11,620
1972	807	6,696	562	3,718	172	11,148
1973	807	6,649	471	3,676	129	10,925
1974	808	6,589	397	3,513	152	10,651
	-	-	-	-	-	-
1996	-	4,083	267	1,825	100	6,275
1997	-	4,009	254	1,770	80	6,113
1998	-	3,944	215	1,732	77	5,968
1999	590	3,885	210	1,665	99	5,859

Female religious				
Year	*Branches*	*Sisters*	*Novices*	*Total*
1969	7,212	86,430	1,149	87,489
1970	7,064	84,638	893	85,531
1971	6,927	82,634	695	83,329
1972	6,709	80,660	563	81,223
1973	6,567	78,885	465	79,350
1974	6,404	76,924	405	77,329
	-	-	-	-
1996	3,000	36,265	169	36,434
1997	-	35,160	175	35,335
1998	-	33,699	153	33,852
1999	-	32,570	145	32,715

Sources:
1969–1974: Kirchliches Handbuch. Official Statistical Yearbook of the Catholic Church in Germany by Franz Groner, Vol. XXVII: 1969–1974, p. 41, 1996/1999http://www.orden.de/General/Women-Statistics.html and Men-Statistics.html, 1996–1999: Wegbereiter. Magazine for Church Professions. At: http://www.kath.de/magazin/wegbereiter
**) Priestly orders and monastic orders*

The average 'occupancy' (1999) of men's monasteries is 7 monks, that of women's convents 12 nuns.

As these are venerable, time-honoured orders, life follows a traditional pattern: the 'girls' serve, bake, embroider, weed and are responsible for bringing out the best in people, whilst the 'boys' brew, print, tinker and are in charge of supervision.

Of the 36,265 nuns (1996), 10,389 works in the public sector in nursing, education, pastoral care, teaching and social work.[495] (A further 23,596 work within the convent walls and 2,280 nuns belong to contemplative orders.)

Overview 145: Activities of nuns in public institutions (1996)

Activities	*Nuns*	*Under 65*	*Over 65*
Nursing	5,451	3,376	2,075
Education	1,799	1,520	279
Pastoral care	1,352	944	408
Teaching	1,339	1,150	189
Social work	448	312	136
Total	*10,389*	*7,302*	*3,087*
In training	277	257	20
Total	10,666	7,559	3,107

Source: http://www.orden.de/Allgemeines/Frauen-Statistik.html

If we assume that nuns working in the public sector earn DM 2,000 a month (of which they personally receive only a 'pocket money' allowance), then they generate annual revenue of around DM 250 million for their orders. Those working within the convent walls (oblates' bakeries, vestment embroidery workshops, etc.), who are likely to generate at least DM 1,000 a month, thus generate revenue for their communities in the region of 280 million. Together, this amounts to around 530 million marks.

Another source of income is retreats held in the monasteries, e.g. a week of fasting at the retreat house of the Benedictine monastery of Marienrode near Hildesheim. (A week is generally the recommended duration for a retreat). Cost: 590 DM per person.[496] 232 monasteries offer these opportunities.[497]

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[495] http://www.orden.de/Allgemeines/Frauen-Statistik.html (However, this may be contradicted by the fact that 12,253 members of religious orders work in Caritas facilities alone, although this may mean that monks also work there.)

[496] http://www.bistum-hildesheim (Press release dated 9 May 2000)

[497] Association of Superiors of Women's Religious Orders in Germany and Association of Superiors of Men's Religious Orders (eds.): *Taking a Breath. Silence, Reflection, Community in the Monastery. Offerings of Women's and Men's Religious Orders in Germany.* 52 pages, as of April 1997.

The number of Catholic retreat participants was: *92,084* in 1972, *105,542* in 1973, *109,422* in 1974 and *95,905* in 1975. [498] After that there are no further figures, as the editor responsible for the Church Handbook ceased work, the editorial team moved to Bonn, and no one was interested in the laborious task of compiling this data any longer.

However, the figures are unlikely to have fallen further in recent years, as women already accounted for 60 per cent of participants in the 1970s and today's offerings are very much in line with the 'need for esotericism' felt by many women.

For participants, the religious orders offer four options for how they would like their participation to be remunerated. 1. There are free stays, for which a donation is, however, gratefully accepted. / 2. Free stay, provided that the participant helps out. / 3. Payment at daily rates. / 4. Payment according to individual arrangements.

A review of the offers shows the corresponding proportions:

Overview 146: Retreat participation and payment (1997)

"Payment"	*Male orders*	*Female orders*	*Total*
1. In absolute figures			
Free of charge, donations welcome	28	25	53
Free with voluntary contribution	7	11	18
Payment: fixed daily rates	34	51	85
Payment: individual rates	24	52	76
Totals	93	139	232
2. As a percentage			
Free of charge, donations welcome	30%	18%	22.8%
Free with contribution	7%	8%	7.8%
Payment: fixed daily rates	37%	37%	36.6%
Payment: individual rates	26%	37%	32.8%

Source: Association of Superiors of Religious Orders in Germany and Association of German Superiors of Religious Orders (eds.), Atem holen. (Percentages converted by the author).

However, what appears so appealing in the case of women's religious orders—the high proportion of individually determined daily rates—is misleading if one assumes it is cheaper than a fixed daily rate. At the Benedictine convent of Marienfelde in Hildesheim, the daily rate (including full board) is DM 65 (i.e. DM 455 per week), whereas for non-conformists it is DM 95 per day (i.e. DM 665 per week).[499]

[498] *Kirchliches Handbuch*, Official Statistical Yearbook of the Catholic Church in Germany by Franz Groner, Director of the Official Central Office for Church Statistics of Catholic Germany, Volume XXVII (1973–1974) and Volume XXVIII (1975 and 1976).

[499] http://www.wordonline.de/home/marienrode/exerzhaus.htm

If we assume, based on the distribution of free and paid stays, that participation must be paid for in 161 of the 232 monasteries, then of the assumed 100,000 participants 69,000 pay for their stay. As a one-week stay is recommended, and the week costs an average of DM 590, this generates a further income of around 41 million marks for the monasteries.

The 30 Protestant 'communities' also offer the 'temporary monastery' scheme.[500] However, there are no figures available regarding participants or prices.

Among the male religious orders in the Catholic sector, the largest communities in terms of numbers are the Benedictines (957 members), the Franciscans (555), the Jesuits (416), the Salesians of Don Bosco (396), the Divine Word Missionaries (375) and the Pallottines (346).[501]

18.1.1. Benedictines

The Benedictines are the most economically active (monastic rule: Ora et labora – pray and work). There are 37 branches comprising 28 legally independent abbeys. We have already encountered them on several occasions: in teaching, printing, brewing, distilling and the catering trade. Let us now consider one of their 'strongholds'.

Andechs Abbey

There, 'where heaven and earth meet', a few Benedictine monks live their contemplative lives in God-pleasing seclusion, far from the hustle and bustle of Munich. They work, pray, brew a little beer to supplement the meagre monastic fare and to hospitably refresh a hiker who happens to pass by... This is how fairy tales begin. This 'Magic Mountain' is, in fact, the *estate* of the Benedictine Abbey of St Boniface in Munich. (An 'estate' means that this is where the money and food are produced to support the monks' livelihood in the city.)

Meanwhile, eight monks now live at Andechs Abbey again (until recently there were only six) and oversee seven commercial enterprises, which employ a total of 170 staff.

Under the new prior (Father Anselm Bilgri, cellarer – head of economic affairs – since 1991 and prior of the monastery since 1994, and recipient of the Federal Cross of Merit), the monastery is dynamically evolving into a profit centre.

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[500] http://www.ekd.de/kloster
[501] http://www.orden.de/Allgemeines/Maenner-Statistik.html

The restaurants and the unprofitable agricultural operations – which are likely to be converted into a golf course – have been leased out. The brewery, distillery, mail-order business, monastery shop, the 'Andechser am Dom' restaurant in Munich and the emerging nationwide restaurant chain 'Der Andechser' (first opening on 10 March 2000 in Goslar, Lower Saxony), as well as the planned conference and congress centre in Andechs, are/will be/remain commercial enterprises of the monastery.

We had already seen the beer turnover figures. 90,000 hectolitres, corresponding to around DM 15 million in turnover. 9,000 hectolitres are served onsite in Andechs, at a correspondingly higher retail price, which amounts to an additional DM 750,000. If each of the 1.5 million annual visitors spends an average of just DM 15 in Andechs (on food, wine, juices, souvenirs, books), this generates a further DM 22.5 million in turnover. All in all, the monastery therefore generates (by estimate and excluding the DM 15 million in beer sales already recorded) at least a further DM 23 million in turnover.

Don't let the tourist hustle and bustle put you off; go for a walk in the beautiful pre-Alpine landscape, visit the grave of the composer Carl Orff, or marvel at the magnificent pilgrimage church, which has been freshly restored by the hard-working monks – and you'll be mistaken. For the pilgrimage church of Andechs Monastery belongs to the Bavarian state, which had already allocated 2.1 million marks for renovation work on the façade, tower and church interior in 1997/98.[502]

Before we now embark on a detailed description of the other 'strongholds' – Ettal Abbey, Maria Laach, Münsterschwarzach, Ottobeuren, St. Ottilien, Weltenburg – and the other 589 establishments of the male orders and the approximately 3,000 establishments of the female orders, let us first consider the real estate aspect of the religious communities in summary.

18.1.2. Real estate of the religious orders

The **land holdings** of religious orders have already been taken into account and reported as part of the land holdings of the denominational sectors, with an average area of 19 hectares per settlement. To give an indication of the land holdings of religious orders, just two figures should suffice by way of illustration: Marienthal Abbey (Cistercian nuns) near Ostritz (Saxony): 900 hectares (equivalent to 9 million square metres) and the small Benedictine monastery 'St. Ansgar' in Nütschau (Schleswig-Holstein) owns 84 hectares.

[502] Free State of Bavaria: *Budget 1997/1998*, Section 5, p. 276.

Over the past thirty years, around 4,300 properties have been disposed of, i.e. sold, leased or given away. At an average value of 2 million, this represents a property value of around DM 8.6 billion.

For the existing 3,590 monasteries, valuation in accordance with the plausible classification of church buildings appears appropriate.

Overview 147: Property value of monasteries)*

Percentage	*Number*	*Individual value*	*Group total*
0.06%	2	500 million	1,000,000,000
0.11%	4	300 million	1,200,000,000
0.83%	30	100 million	3,000,000,000
12.0%	431	2 million	862,000,000
66.0%	2,369	1.5 million	3,553,500,000
21.0%	754	0	0
Total	*3,590*		*9,615,500,000*

Source: Number of monasteries / branches according to: http://www.orden.de
**) Calculation based on the percentage shares for church buildings in Overview 103*

According to this valuation, the range extends from two monastery complexes deemed unique to 2,369 'small complexes'. 754 monasteries/branches were not valued. This results in a property value of around DM 10 billion.

In summary, the religious orders generate around DM 854,588,000 in revenue (DM 30,521,000 from lease payments, DM 229,317,000 from ground rent, DM 530,000,000 from their own work, DM 41,000,000 from retreats and DM 23,750,000 at Andechs Monastery). In terms of assets, they are estimated to hold over DM 71,076,800,000 (DM 61,461,300,000 in land and DM 9,615,500,000 in buildings).

18.2. Secular orders

In addition to the 'religious' orders, there are still eight religious communities in Germany today, of which, however, only four are ecclesiastically recognised[503] (secular) religious communities: three are Catholic: the German Province of *the Teutonic Order*, the *Order of the Holy Sepulchre of Jerusalem* and the *Order of Malta*. One is Protestant: the *Order of St John.* Whilst the *Order of Malta* and the *Order of St John* have become known to the public mainly through their rescue and medical services (including at major events), a venerable order (founded in 1190), which had been relatively unknown until then, made headlines in 2000.

[503] The unrecognised orders: the Order of St Lazarus, the Order of Knights 'Ordre Equestre du Saint Sauveur du Mont Réal' (OESSM), the Templars and the Ecumenical Order of the Templars.

18.2.1. German Order of the Holy Cross

"The Teutonic Order is a clerical institute of consecrated life under papal law, whose sphere of activity is the apostolate in the world."[504] Since 1996, the Bavarian Minister-President Edmund Stoiber has been a 'Familiar' member of the Deutschherrenbund, the Order's lay organisation, and after the Order's German Province was granted recognition as a non-profit body under public law by the Free State of Bavaria in May 1998 (= tax exemption, no financial statements), the Order's German headquarters moved from Frankfurt am Main to Weyarn Abbey in Bavaria.

Since 1993, 'around 120 healthcare, care for the elderly and social welfare facilities, formerly run by church, local authority or independent, non-profit organisations'[505] have passed into the ownership of the German Province of the Order of the German Knights. This was based on the trust-based and free transfer of the charitable institutions from ten small and ageing communities of nuns.

In its corporate profile, the Teutonic Order refers to itself alternately as the "DO Group" or the "DO Corporate Group", as, in addition to the DOH (Teutonic Order Hospital Foundation), the Order now owns 26 per cent of the *Jericho Motel Company* (the first 4-star hotel in the future State of Palestine), 50 per cent of the Swiss *company Stemcup AG*, which manufactures hip implants, and, within its "Products, Trade and Services" division, manages the cleaning and catering for its facilities through Tressler, a company belonging to the group. Since 1997, the DO Group has had mass-produced items such as powdered and powder-free surgical and examination gloves manufactured in Asia under the DO own brand, as well as textiles required in clinics, which are distributed via the Duisburg distribution centre. In 1999, a new "subsidiary" was founded: the hospital management company AGP, which manages 15 hospitals with a turnover of around 250 million marks.

According to its own figures, the Teutonic Order is now one of the eight largest social enterprises in Germany, employs 5,500 staff and proudly points to its 'solid financial basis': equity amounts to DM 84,000,000 and its assets

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[504] This and all other financial data, unless otherwise stated, are taken from the Teutonic Order's own presentation on the internet http://www.deutscher-orden.de/Deutsche Bruederprovinz/...

[505] Irene Stratenwerth: 'A Crusade with a Cheque Book', in: *Die Woche*, 21 July 2000, p. 30.

total DM 524,000,000 (of which 337 million is in property and real estate). The fund balance stands at DM 174,000,000. (*Subtotal capital/assets DM 782,000,000*), and turnover (1999) DM 490,000,000.

In July 2000, the first reports appeared in the media alleging that the DOH (Deutscher Orden Hospitalwerk) was struggling with financial difficulties and had 'ripped off' other religious orders in the transfer of hospitals and facilities. The Teutonic Order vehemently denied this: all of it was "opinions, interpretations, insinuations"[506] But then, in early December 2000, reports and reactions came thick and fast: the Teutonic Order was allegedly insolvent and could no longer pay its staff's December salaries. A criminal complaint was filed against Minister-President Stoiber for 'aiding and abetting breach of trust',[507] and Bavaria is to pay 25 million in 'bridging aid'.[508] The Prior of the German Province and the Managing Director of the DOH were finally relieved of their posts by the Grand Master in Vienna.[509] The Bishops' Conference intends to provide one-off financial assistance "to address the most urgent needs in individual institutions."[510] Everything else remains unresolved, and the website of the German Province has stated succinctly since March 2001: "Our pages are currently unavailable."

The other orders operate with less fanfare, and also with less pomp. The Johanniter and the Malteser are of particular interest to us economically due to their rescue operations and patient transport, as well as their care homes for the sick and elderly. With regard to this work, the Johanniter-Unfall-Hilfe is a specialist association of the Diakonisches Werk, and the Malteser's organisations were founded with the help of Caritas. They are, so to speak, the operational arms of the major denominational associations. However, as both associations are under the auspices of their respective orders, they are briefly outlined here. The figures for these organisations provide an initial indication of what is being achieved in the charitable sector in Germany and a 'taste' of the scale of the two major welfare associations, the Diakonisches Werk and Caritas.

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[506] http://www.deutscher-orden.de (Press release: 'Opinions, interpretations, insinuations – and the facts', in which the Order defended itself against reports in SPIEGEL and STERN.)
[507] http://www.sueddeutsche.de/nachrichten/woche49/stoiber.htm
[508] Stern, 7 December 2000, p. 23.
[509] http://www.erzbistum-muenchen.de (KNA press release dated 5 December 2000)
[510] http://dbk.de/presse/pm2000 (Press release dated 8 December 2000)

18.2.2. Order of St John

The Order of St John (officially: 'Brandenburg Bailiwick of the Knightly Order of the Hospital of St John in Jerusalem, known as "The Order of St John") was originally part of the Order of Malta and, following an eventful history, was re-established in 1852 by King Frederick William IV of Prussia as an independent Protestant order of knights. Since 1693, the Grand Master has always been, by hereditary succession, a HRH ("His Royal Highness"), a Hohenzollern prince, currently HRH Oskar, Prince of Prussia. The duties of the Johannites are their diaconal mission and to uphold the Christian faith. In addition to Germany, the Johannites are also active in Namibia (Africa).

The Order itself [511] runs 20 hospitals, 26 care homes for the elderly and 151 childcare centres. The value of its property portfolio is estimated at around DM 755 million.

The Johanniter-Unfall-Hilfe (JUH) is one of the Order's charitable organisations. In 1999, 846,341 call-outs were attended to, meaning that every day of the year they responded to a call-out every 20 seconds. Annual income amounted to 739 million marks.

Overview 148: Assets and income of the Johanniter

Real estate assets:		
20 hospitals, Ø 214 beds at DM 20 million each = 26		400,000,000
care homes for the elderly, Ø 118 places at DM 9 million each =		234,000,000
151 childcare centres, Ø 66 places at DM 0.8 million each = *Total*		121,000,000
		755,000,000
Income: Johanniter Unfall Hilfe (JUH)		
- Own contributions	(76.2%)	563,118,000
- Membership fees, donations	(16.8%)	124,152,000
- Public grants	(7.0%)	51,730,000
Subtotal JUH	*(100%)*	*739,000,000*
Revenue from social services/transport services:		
- Hospitals and care homes*)		855,880,340
- Meal service: 4,382,594 x DM 10		43,825,940
- Home emergency call system: 31,353 subscribers x DM 100 x 12 months		37,623,600
- Transport services: Regular service: 204,770 x DM 5		1,023,850
– Individual: 157,789 x DM 50		7,889,450
Subtotal: Social services		*946,243,180*
Total		2,440,243,180
**) Corresponding conversion of the Maltese figures (DM 116,478 per bed/place)*		

Sources: Assets: http://www.johanniterorden.de (figures based on own calculations) Revenue: http://www.johanniter.de/statistik/wirtschafts- und finanzdaten.html Calculations in DM are based on own estimates derived from comparisons.

563 million of this is in-house contributions, 124 million is membership fees and donations, and 52 million is public subsidies.[512] (Since 1994 – Turnover:

[511] http://www.johanniterorden.de/krankenh.htm

[512] http://www.johanniter.de/statistik (and) /wirtschafts_und_finanzdaten.htm

DM 527 million – an increase of 40 per cent.) Noteworthy is the high proportion of community service workers at the Johanniter. In addition to the regular paid staff (6,627 employees), a further 3,143 community service workers carry out a great deal of work for low pay.

Excluding the valuation of the three aircraft, the 234 rescue vehicles and 254 ambulances, and the turnover of the hospitals and care homes, the Johanniter are worth around 2.2 billion marks.

18.2.3. Order of Malta

The Order of Malta (full name: Sovereign Military Hospitaller Order of St John of Jerusalem, of Rhodes and of Malta) is, according to its own description, 'the only spiritual order of knights still existing today with unbroken continuity, which has also been able to preserve its character unaltered since its foundation. It is a nursing order composed of Catholic laypeople and, at the same time – as a consequence of its former sovereignty in Rhodes and Malta – a state-like sovereign subject of international law [...] and maintains diplomatic relations with around a hundred states and international organisations."[513] The German Association was established in its present form in 1993, has 550 members, and one must be of noble birth to become a Knight. President: Leo Ferdinand Graf Henckel zu Donnersmark. Superior General of the Sisters' Order: Elisabeth Gräfin Stauffenberg. The Association is the initiator and sponsor of various charitable works of the Order.

The hospitals and care homes for the elderly are grouped together under MTG Malteser Trägergesellschaft gGmbH. In 1998, 4,300 employees generated a turnover of almost 380 million marks.[514] The Malteserhilfsdienst carried out 600,000 call-outs, which, compared to the Johanniter-Unfallhilfe,[515] represents revenue in the region of 435.6 million.[516] Excluding vehicles, the Malteser facilities are therefore worth around 1.3 billion marks.

[513] http://www.malteser.de/malteserorden

[514] If we compare the number of employees with turnover, each employee generates a turnover of DM 88,370. This figure is useful because the Deutscher Orden Hospitalwerk also achieved the same amount per employee in 1999 (490 million turnover / 5,500 employees = 89,000 marks).

[515] 614,848,000 in revenue from own contributions and grants / 836,341 missions = Ø 726 per mission.

[516] In line with the breakdown for the Johanniter, 92% of this is own contributions (= DM 400,752,000) and 8% is grants (= DM 34,848,000).

Overview 149: Assets and revenue of the Maltese Order (1999)

Real estate assets:		
11 hospitals, Ø 221 beds at DM 20 million each =		220,000,000
10 care homes for the elderly, Ø 87 places at DM 9 million each =		90,000,000
Subtotal:		*310,000,000*
Revenue: Malteser Rescue Service:		
- Own services	152,687 emergency transports 296,622 patient transports 38,417 emergency doctor call-outs 66,570 Statutory health insurance emergency service 58,079 Other call-outs	
Subtotal	*608,775 call-outs x DM 665*) =*	*404,835,375*
Revenue from social services / transport services:		
- Hospitals / Care for the elderly		384,492,484
- Meal service: 4,544,541 x DM 10 =		45,445,410
- Home emergency call service / subscribers: 21,694 x DM 100 x 12 months =		26,032,800
- Transport services for disabled people: Regular service: 6,121,100 x DM 5 =		30,605,500
	Individual: 565,740 x DM 50 =	28,287,000
Subtotal for services		*514,863,194*
Overseas assignments		30,000,000
Total		*1,259,698,569*

**) Based on the average revenue/own contribution of Johanniter operations. Source: All figures taken from: Malteser 'Annual Report 1999', various pages.*
Property value / Multiplications based on our own estimates and comparisons

However, what is still missing from the two overviews on the Johanniter and the Malteser are the "allocations for emergency service investments", i.e. for the procurement of vehicles and for construction projects.

For example, the state budget of North Rhine-Westphalia for 1998 lists the following in Section 07 070:

- Grants to aid organisations for accident assistance (funding for paramedic training) DM 430,000
- Allocations for investments in the ambulance service (vehicles, construction projects) DM 17,363,000

18.2.4. Order of the Holy Sepulchre

The third Catholic order, the Order of the Holy Sepulchre of Jerusalem, has none of this to offer; rather the opposite. Although it has 1,200 members in Germany, according to the Order's spokesman, Helmut Müller, 'We urgently need to rejuvenate our ranks, otherwise we will die out – candidates over the age of 60 are becoming increasingly unpopular.'[517]
The Grand Prior, as the spiritual head of the German Lieutenancy, is the Bishop of Speyer. The Order's members come from the middle to upper classes.

[517] *Die Welt*, 21 October 1997, via: http://www.welt.de/daten/1997/10/21

"Its members may not belong to organisations that contradict the teachings of the Catholic Church, nor to other institutions of a supposedly chivalric nature that are not recognised by the Holy See or authorised by sovereign states." New members are appointed exclusively by the Order and, after a one-year probationary period, confirmed by the Pope. (Members have included, among others, the former Minister-Presidents Streibel and Filbinger.)[518]

Men are knighted, whilst women become members of the Order. The Order of the Holy Sepulchre regards one of its main tasks as "the defence of the rights of the Catholic Church, particularly in the Holy Land" [519] and supports Christians in the Middle East, schools and nurseries in Israel, and orphanages and homes for the disabled in Israel, Jordan, Cyprus and Palestine. To this end, the German Lieutenancy raises two million marks annually.

However, given its history, its international connections and its membership, this Order is not merely viewed as a charitable club for dignitaries, but has been linked by various authors to *Opus Dei* (discussed in the next chapter).[520]

[518] Thomas Geisen, Investiture ceremony of the 'Knights of the Holy Sepulchre of Jerusalem', in: *MIZ, No. 3/1995*, pp. 18–21.

[519] htttp://www.ritterorden.de/genauer04.htm

[520] Egmont R. Koch and Oliver Schröm. *The Secret of the Knights of the Holy Sepulchre. The Vatican's Fifth Column*. Hamburg: Hoffmann & Campe, 1995, 334 pages. Lutz Overbeck & Viola Countess von Bethusy-Huc, The QUO VADIS Syndrome, in: *MIZ 3/1995*, pp. 10–17.

19. Denominational Associations

Catholic associations: Opus Dei / Kolping Society / Protestant associations: YMCA

In this chapter, we will examine three church organisations that are active nationwide and belong neither to religious orders nor are they integrated into the official church hierarchy. *Opus Dei* is representative of all 'secret societies' and their financial power. We have already encountered *the Kolping Society* and *the YMCA* on several occasions, and they will now round off the picture of these two associations – particularly with regard to the specific nature of their sub-organisations.

19.1. Catholic organisations

The Pope is getting older, the Vatican is increasingly becoming a bureaucratic apparatus that fewer and fewer people listen to, the Jesuits are dwindling in number... Yet before a gap might appear in the global conspiracy epic, an organisation has stepped forward just in time, one that is portrayed as the ultra-conservative, powerful and wealthy mastermind behind all evil and which seeks world domination.

19.1.1. Opus Dei

Opus Dei ('The Work of God'): an organisation that seems tailor-made to prove all the sinister speculations right – elitist, secretive and powerful.

Founded in 1928, the Pope granted Opus Dei the status of a *secular institute* as early as 1947, and following the Second Vatican Council (strengthening of lay organisations), Pope John Paul II granted the association the unique legal status of *a personal prelature* (a worldwide diocese without territory) in 1982, with the full name:
"Prelature of the Holy Cross and Opus Dei", whose Prelate, elected for life, is appointed titular bishop by the Pope. What is distinctive about this personal prelature is the special legal status it confers, which leaves the internal organisation of the association to its own rules.

In addition to the priests as members (of the Holy Cross), Catholic male and female laypeople (of Opus Dei) have the status of 'numeraries' (with specific duties), whilst non-Catholics have the status of 'co-workers', who support the work of Opus Dei through prayer or financial contributions.

In Germany, the Prelature has a presence in eleven centres: Bonn (since 1953), Cologne (1956), Essen (1968), Aachen (1971), Münster (1975), Munich (1978), Berlin and Trier (1979), Euskirchen (1985), Frankfurt and Augsburg (1988). The seat of the German regional vicariate is in Cologne. The number of members in Germany (around 84,000 worldwide) stands at approximately 1,000. [521]

Since 1983, Opus Dei has come under public criticism. The public controversy stems from the fact that, on the one hand, Opus Dei states of itself: 'Its objectives are exclusively pastoral (spiritual) in nature.' 'The members of Opus Dei, as working citizens, provide for their own livelihoods,' and 'Therefore, the Prelature as such possesses no material resources in principle.' On the other hand, the legally recognised 'corporate apostolic works of Opus Dei' do exist, yet 'the undertakings are not of a churchly but of a civil nature. They are therefore not the property of the Prelature, for they are not run by Opus Dei but by the respective initiators.' [522]

However, this self-image is not accepted by the (predominantly Catholic) critics.

In practice, this is how it looks: in Ettal in 1995, the former 'Benediktenhof' hotel, with its large grounds, was put up for sale for 5.5 million marks. The Benedictines at the nearby Ettal Abbey, to whom the property had also been offered, found the price too high, and the bid was won by the Catholic *German-International Cultural Association* from Cologne; the Benedictines noted matter-of-factly "that the name Ettal is now also being used by another Catholic organisation". However, when it became known that Opus Dei was hiding behind the buyer's name, relations became very frosty.[523] (The property is now called the Zieglerhof Conference Centre.)

And this 'disguise' is the problem. When Opus Dei claims that it provides only 'spiritual guidance' but has otherwise nothing to do with these institutions, this is simply regarded as false advertising.

The aforementioned *Deutsch-Internationale Kulturverein e.V.* is the umbrella organisation for Opus Dei's women's institutions in Germany, with the *Studentische Kulturgemeinschaft serving as* its male counterpart.

Among other things, these associations run:

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[521] See also: http://www.opusdei.org/deutsch (Opus Dei's self-description), http://www.ref.ch/zh/infosksr/opus.html (Reformed Church in Switzerland)

[522] See Opus Dei's self-description, paragraphs 54, 55, 61, 65.

[523] See *Garmisch-Partenkirchener Tagblatt* of 3 August 1999 (Bishop Echevarria visits), at: http://www.kloster-ettal/zeitung/990803

- *Student halls of residence* in Schweidt (Cologne), Althaus (Bonn), Widenberg (Münster) and Erk (Aachen).[524]
- *Female student halls of residence* in Müngersdorf (Cologne), Heristal (Aachen), Hogesteg (Munichster), Altor (Trier), Aurach (Munich).
- *Educational centres* in Althaus (Bonn), Maarhof (Cologne), Erk (Aachen), Widenberg (Aachen), Am Städel (Frankfurt), Am Lakfeld (Düsseldorf), Rüttenscheid (Essen) and in Bogenhausen (Munich), Euskirchen and Ettal.
- *Home economics training centre* in Müngersdorf, Cologne.

In addition, there is the

- *Association for the Promotion of Independently Run Schools (Fördergemeinschaft für Schulen in freier Trägerschaft e.V.*) and the
- *Rhine-Danube Foundation*, formerly chaired by Fritz Pirkl (of the Hanns Seidel Foundation and MEP/CSU); the current president is Aribert Wolf (MP/CSU; among other things, a member of the Committee on Human Rights and Humanitarian Aid and a member of the Board of Trustees of the Federal Agency for Civic Education.)[525]

The interconnection between these corporate entities is evident, for example, in the fact that the two student halls of residence in Cologne offer accommodation, full board and services for just DM 720 per month. This 'full-service programme' is provided by the 'domestic training centre affiliated with the ISM (International Student Residence Müngersdorf) (catering, laundry, cleaning of bathrooms and communal areas).'[526]

For the 'gentlemen of creation', the rooms are also cleaned, and 'student development aid projects' are undertaken: 'School instead of the streets', in Nicaragua, in collaboration with the FUNDACEN Foundation and the Rhine-Danube Foundation".[527]

Even though a former employee is quoted in studies on Opus Dei as saying: "The organisation is rich and hides this wealth behind legal tricks,"[528] and references to Opus Dei's wealth are made repeatedly in other passages, no evidence is provided. The only figure given is the cost of the 'Hardtberg' educational centre in Euskirchen, which amounts to around 30.8 million (and for which the dioceses of North Rhine-Westphalia paid a subsidy of five million).[529]

The property value of Opus Dei's nine homes and ten educational institutions is estimated to be in the region of around 80 Millions of marks.

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[524] http://www.uni-koeln.de/studenten/schweidt/links
[525] http://www.bundestag.de/mdb14/bio/wolf
[526] http://www.uni-koeln.de/studenten/muengersdorf
[527] http://www.uni-koeln.de/studenten/schweidt
[528] Peter Hertel: *Secrets of Opus Dei.* Secret Documents – Background – Strategies. Freiburg: Herder, [3] 1996, p. 191.
[529] Peter Hertel: *Secrets of Opus Dei*, p. 194.

The equity capital of *the Rhein-Donau Foundation* amounts (according to its own figures) to DM 1.5 million.

Anyone wishing to spin conspiracy theories about shadowy figures will find it easy – with a quick search on the internet – to weave a conspiratorial web around the appearance or mention of individual "well-known Opus Dei members", in which one can find: *the Pan-European Union Germany*, *the EOS Publishing House* of the Archabbey of St Ottilien, *Deutschlandfunk*, the magazine *Epoche*, a conservative information portal on the internet (konservativ.de), *Deutschland-Magazin*, the *Tagespost*, the *CDU*, the *Konrad Adenauer Foundation*, the *CSU*, the *Hanns Seidel Foundation* and the *Evangelical Alliance*, and many others. However, this is nothing more than the formation of so-called 'old boy networks' within a wide variety of social and economic groups, associations and political parties, which support one another on the basis of their similar fundamental views. Whether this makes them a 'power behind the scenes' has not yet been proven, at least as far as Opus Dei is concerned. Whether such a claim exists is a matter for debate.

It seems more to be a transfer of information, knowledge and assumptions from the Catholic regions of Spain and South America, where such personal networks function efficiently under dictatorships. It may therefore be no coincidence that, for Central Europe, high-ranking politicians in France are included in this group, although it must be noted that the French centralised system of government is characterised by cronyism and nepotism – at least on a national scale that is unknown in federal Germany and is therefore probably not possible there.

That there is a 'power struggle' in the Vatican between conservative and more liberal views, and that Cardinal Secretary of State Sodano (something like the Vatican's Prime Minister) and the press spokesman are counted among the ranks of Opus Dei – who is surprised, since Pope John Paul II himself is a conservative bishop – and 'Opus Dei is blindly devoted to the Pope and ideologically fully aligned with his line – from the rejection of all contraception and women's ordination to fervent anti-communism'.[530]

[530] *Der SPIEGEL*, 50/1998 (Peter Wensierski: The Vatican and the Universal Church), http://www.spiegel.de/spiegel/0.1518..0929.00.html (page 8)

In addition to Opus Dei, there are other organisations represented on the Central Committee of German Catholics – of which Opus Dei is not a member – such as 69 Catholic organisations[531]: From the Ackermann Community, through the Working Group of Catholic Student Associations (AGV), the DJK – Sports Association – Deutsche Jugendkraft, the Catholic Rural People's Movement of Germany, the Social Service of Catholic Women, to the Association of St Charles Borromeo e.V. and the St Michael's League, and they all have buildings, offices, bank accounts, etc. For the sake of brevity, let us leave them aside for the time being.

Let us stick, by way of example, to two denominational associations – one from each denominational sector – the Catholic Kolping Society and the Protestant YMCA, which we have already encountered in connection with the hotels and family holiday centres.

What both associations have in common, on the one hand, is a traditional and similar structure – Kolping Society/diocesan associations/Kolping families and YMCA General Association/regional associations/YMCA groups – but on the other hand, and particularly in recent years, new 'works' are emerging in both organisations, which are being established alongside and thus outside this traditional organisational structure and are geared specifically towards state funding for education and vocational support.

Let us briefly outline the key structures of these two denominational organisations.

19.1.2. Kolping Society

The Kolping Society currently has 276,000 members and, in line with the structure of the Catholic sector, is divided into 27 diocesan associations and then into 2,774 Kolping families. More than 800 streets and squares in Germany are named after the founder, Adolph Kolping; 47 members of the Bundestag (parliamentary group strength) are Kolping members, and to mark the organisation's 150th anniversary in September 2000, the German Federal Post Office issued a special stamp.[532]

Having originated as a 'Catholic journeymen's association' that looked after journeymen who were unmarried at the time and on the move, providing them with "journeymen's hostels", the institutions of the Kolping Society have since diversified. We have already encountered two of these facets in the Kolping Hotels and the Kolping family holiday centres.

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[531] See *Address Book for Catholic Germany, 1997 edition*, pp. 128–132.
[532] http://www.kolping.de/zentral/grund/zahlen.html

"There are still rooms available at Kolping" refers to the (youth) hostels of the Kolping Society, 54 of which are currently in operation. The geographical overview (see Map 2) reflects the Society's denominational character quite accurately, as it corresponds almost exactly with the "Diaspora Map" of the Bonifatiuswerk.

An overview of the homes – not all of which are listed here – indicates 5,658 places in these hostels, i.e. an average size of 105 places per hostel, ranging from 14 to 514 places.[533]

Overview 150: Size categories of Kolping halls of residence

Size category	*Number of homes*	*Total places*
14–50 rooms	18	613
51–100 rooms	15	1,091
101–150 rooms	7	930
151–200 rooms	6	1,033
201–250 rooms	4	903
251–300 rooms	2	574
514 rooms	1	514
*Total *)*	*53*	*5,658*
**) One house with no details.*		

Source: Verband der Kolpinghäuser e.V.: Directory of Kolping Halls of Residence, 1998

If we now assume that all these halls of residence have communal areas – some of them quite extensive – in addition to the rooms and apply a flat rate of DM 40,000 for the construction of a room plus the communal and land components, this results in a property value of 226 million (DM 226,320,000).

If we assume an average monthly rent of DM 400[534], the annual turnover amounts to 27.3 million marks. And since a deposit of usually DM 500 must be paid for each tenancy agreement, a further 2.8 million is 'put aside'. If we now add the 236 Kolping houses, based on 2 million per house, a further 472 million marks is added to the real estate holdings.

These are the figures for the traditional Kolping structure as a central association within the diocesan structure.

[533] Association of Kolping Houses e.V.: *Directory of Kolping Halls of Residence 1999/2000.* For young people in training.

[534] At the KCC in Dresden, a room costs DM 550; in the largest house in Greifswald, rooms cost between 265 and 598; in Düsseldorf, they cost between 320 and 395 DM.

Map 2: Kolping Society halls of residence in Germany

In addition to the diocesan associations, regional organisations have developed, particularly in recent years, such as *Kolping-Mittelfranken* and *Kolping-Sachsen*, which operate as registered associations or non-profit limited companies as vocational training centres or educational institutions – strictly in accordance with state funding guidelines and grants.

The regional boundaries of the dioceses and the diocesan associations do not 'align' with the federal subdivision of the Federal Republic of Germany into federal states. (The same applies, albeit in a different form, to the Protestant regional churches). Only 12 of the 27 German dioceses are located within a single federal state; nine dioceses already span two federal states, and a further five each span three , and the Archdiocese of Berlin touches

the territories of four federal states (Berlin, Brandenburg, Saxony-Anhalt and Mecklenburg-Western Pomerania).

What this means from various perspectives can be briefly illustrated by the example of *Kolping-Bildungswerk Sachsen e.V.*[535] Founded in 1990 by the Kolping diocesan associations of Dresden/Meissen, Görlitz and Berlin, over the course of ten years companies operating in a wide variety of sectors were established under the umbrella of this single registered association:

- *Educational institutions*: 9 training centres, 3 schools, 1 academy and the Schloss Schweinsburg Conference and Management Centre;
- *Travel/Holidays*: Kolping-Interra-Reisen travel agency, holiday homes at Fuchsberg, Schloss Schweinsburg Hotel and Conference Centre, Kolping Apartment House Dresden, Hotel Bonhoefferplatz, Hotel Atrium, Kolping-Centrum Berlin Guest House;
- *Children's facilities*: 6 nurseries, 1 after-school care centre, 1 school and 2 youth clubs;
- *Catering*: 6 restaurants, 1 youth café, 3 catering services;
- *Services:* one each of a florist, call centre, digital printing, event management, driving school, caretaker services, care service, student halls of residence, conference centre, property management and an advertising agency.

Under the umbrella of the association, fourteen limited companies, nine non-profit limited companies and one limited partnership were established to cover these various activities. With the exception of three companies, all company names begin with Kolping: Kolping-ConCept GmbH, Kolping-Leben und Wohnen GmbH, Kolping-Bildungszentrum Pirna GmbH, etc.: 1,200 employees, over 50 different locations, assets: 90 million marks. This was established when insolvency was filed in December 2000, as liabilities had since risen to 180 million. [536]

This can happen to anyone and is nothing unusual (too rapid expansion, management errors, bad investments). What is more noteworthy is how the Kolping Society itself reacted: apart from offering friendly advice, it declared itself not responsible, as the educational organisation and all its institutions were separate legal entities. The insolvency administrator demanded a financial contribution from the Church, stating that the creditors would then be prepared to waive their own claims. Reaction: none.

It is also noteworthy – as an indication of internal communication structures – that in April 1998 an 'Initiative Ost' was formed at which the *Federation* of *Catholic Entrepreneurs* (BKU), *the the Association of Catholics in Business and*

[535] See http://www.kolping-sachsen.de

[536] See various press releases at: http://www.kolpingwerk.de ("Aktuell" from December 2000 to February 2001)

Administration (KKV) and the *Kolping Society of Germany*. The aim: "The number *of bankruptcies in the new federal states is on average twice as high as in* the old federal states. Many businesses fail in their first few years on the market. Some business ideas could be successfully realised if an experienced entrepreneur were on hand to provide support during difficult phases."[537]

19.2. Protestant associations

Just as in the Catholic sector, a large number of associations are active in the Protestant sector. They are divided into nursing and welfare associations (24), missionary services (15), journalism (4), education, training and science (15), services for specific groups (28), ... We shall now confine ourselves to the YMCA, as we have already encountered it on several occasions.

19.2.1. YMCA

The Christian Association of Young *People*, as the 'Young Men's Association' has been known since 1985, is such a natural part of the landscape in Protestant Germany that one always has to remind oneself that it is the German 'daughter' of an American 'mother', the YMCA. It was therefore no coincidence that the YMCA, together with *World Vision* (also an American Bible and missionary society) and the *Evangelical Alliance,* had erected the famous 'Whale Pavilion' at EXPO 2000.

The CVJM Bavarian Regional Association lists the following as 'partner organisations': the CVJM General Association, the Evangelical Radio ERF, CINA – Christian Internet Community, and EC-Bavaria – all organisations of *the Evangelical Alliance* (see the chapter *on Donations and Collections*).

The YMCA General Association (Headquarters: Kassel) has around 260,000 members in Germany, is divided into thirteen independent regional associations with around 2,500 YMCA groups, and operates independent organisations such as the *YMCA World Service*, the *YMCA Travel Service* and the *Christian Youth Village Association of Germany* (CJD) – all of which are independent registered associations. Around 600 full-time staff are supported by approximately 25,000 volunteers.

We had already briefly encountered the 'World Service' among the mission organisations, which run hotels as well as holiday centres and family holiday

[537] Leaflet from the 'Initiative Ost'; received at the 94th Catholic Day.

facilities owned by the YMCA in the chapter on tourism, so we would now like to turn briefly to the **Christian Youth Village Association of Germany**. This Christian Youth Village Association (CJD) operates 54 facilities in Germany. 'The work of the CJD is funded by state subsidies derived from social and labour laws.'[538]. The President of the CJD is the former President of the State Parliament of Baden-Württemberg, Erich Schneider, and 7,900 full-time staff work in the areas of educational centres, vocational support facilities, vocational promotion services, vocational schools and, more recently, in the integrated support of highly gifted pupils. The CJD's turnover has risen accordingly: 1998: DM 842.3 million, 1999: DM 912.8 million.

It would now, in principle, make a great deal of sense to outline, at least in broad terms, other associations, such as the **Schoenstatt Movement**, which has established its international centre north of Koblenz, in Vallendar, in the district of Schoenstatt: "Surrounding the Original Shrine, in the valley and on the mountains, are the central houses of the various communities of the Schoenstatt Movement, as well as educational centres and accommodation for conference participants, visitors and pilgrims."[539]There are now Schönstatt centres in 23 of the 27 German dioceses, divided into 25 spiritual branches, with secular institutes and associations – all legally independent – following a Marian way of life. The real estate holdings in Vallendar alone constitute a 'small town' in their own right.

Or the **Christian Trade Union Federation of Germany**, with 305,000 members and operator of academies and educational centres [540], or the **Catholic Workers' Movement**, with 254,100 members and several holiday and educational centres, the Ketteler-Ferienwerk (as a tour operator), vocational training institutions, etc. [541]

But there are simply so many associations, communities and groups active in both denominational sectors that one would need seven lifetimes to describe them all.

[538]http://www.cjd.de
[539]http://www.kath.de/schoenstatt
[540]http://www.dhv-cgb.de
[541]http://www.kab.de

20. Art, sacred objects and items

Church furnishings / Ecclesiastical art objects / Value of art treasures / Treasure chambers / Libraries

In this chapter, we shall first consider everything that can be removed from a church – that is, items which are not an integral part of the building itself, such as frescoes, columns and stained-glass windows, but which form part of its 'inventory' – and then the great libraries.

From a historical perspective, and indeed in the present day, we are by no means venturing onto 'sacred' ground. To give just two examples: in 1803, the sacred furnishings and altars of St John's Church in Hamburg were sold to England as works of art, and in 1999, the North Elbe Regional Church purchased a damaged Gutenberg Bible for 3.5 million. The seller: a parish that had received an offer of 5 million from the USA.

That the sacred furnishings of churches are works of art is beyond dispute and does not require proof from the rising number of church thefts to demonstrate their economic trade and market value, as well as the demand on the art and antiques market.

However: "The iconoclasm of the Reformation in the 16th century, which had the most far-reaching consequences for our cultural sphere, was repeatedly ignited by itinerant, agitational preachers."[542] This phase of iconoclasm also points us to the simple fact that the sacred exists only for those who believe in it.

A brief passage from the history of the parish of St Martin / Weinstraße illustrates how this was also dealt with by the Catholic Church:

"The church of St. Martin has suffered significant losses not so much as a result of war, but rather through adaptation to changing stylistic eras. The church suffered its most regrettable loss in 1890, during the period of Historicism, when it was felt necessary to keep pace with the artistic trends of the time. As the church is a Gothic building, everything that contradicted this was removed. The Baroque altars, along with all the sculptures, were sold to the local residents at rock-bottom prices as 'inferior'. Even the cross that had hung above the altar since then did not escape having its value dismissed.

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[542] *Hamburger Abendblatt*, 13 March 2001, 'Wissen' supplement, p. 1. (Christoph Rind: Iconoclasm – almost the norm)

A local winegrower acquired it for a rock-bottom price. He was unable to hang it on any wall in his flat because it was too long. Without further ado, he returned the artwork to Pastor Schäfer. The pastor had it placed in the church storeroom. (...) The Madonna, a 15th-century artwork, escaped being sold off. 'It owes this to its Gothic forms,' wrote Father Hermann Wittwer in the parish memorial book. The clearance caught the attention of experts and brought them into action. Little by little, one masterpiece after another left its new owner."[543]

Even the Vatican is making 'sacred objects' available for commercial sale. This is indicated by reports published in several magazines in 1995: 'Priest sells church treasures'. The parish priest of the parish in Fürth am Wald was pictured in the photographs surrounded by chalices, monstrances, etc., beneath which price tags had been placed. And as it was said, 'he even required permission from the Holy Father in Rome to do so'.[544] Further research set the record straight: the Pope himself had, in a letter that was, with all due respect, 'rather peculiar', called on Catholic parishes to part with some of their church treasures for the benefit of the world's poor, and the priest's action was, so to speak, a protest against this, serving as a call to donate cash for the benefit of the poor.

For those still in doubt, here is another brief report: two 16th-century oil paintings had been loaned by St. Katharinen's Church in Hamburg to the Hamburger Kunsthalle in 1899. To mark the church's 750th anniversary, 'the treasures worth one million marks' returned for a fortnight in July 2000.[545]

On this matter, we may expect that there will be fewer precious objects in the Protestant sector, since, on the one hand, Protestant churches place less emphasis on church and altar decorations, much was lost during the 'iconoclasm' of the Reformation, and no major Protestant church can boast anything comparable to a Catholic cathedral treasury. A prime example of this is the exhibition 'Faith. Treasures of Northern Elbe 800 to 2000', held from April to July 2000 at Kiel Castle: The most valuable reliquaries, chalices, etc. had been loaned from the noble collegiate foundation of Preetz Abbey, a foundation which, however, does *not* belong to the regional church but is owned by the noble knighthood of Schleswig-Holstein.

[543] http://home.germany.net/100-484465/Chronik
[544] *Der SPIEGEL* No. 10/1995, p. 77.
[545] See *Hamburger Abendblatt*, 10 July 2000, p. 16.

Let us approach the question by estimating what a standard church interior costs nowadays when a newly built church needs to be furnished.

20.1. Church furnishings

A great deal of equipment is required: chairs, hymn books, a large altar Bible, several candlesticks, chalices, reliquaries, monstrances, altar cloths, etc.

There are annual specialist church trade fairs for this purpose,[546] though nowadays one can also order such items from a catalogue; so let us furnish a small church, with 200 seats and only the bare essentials.

The current purchase value has been deliberately used, as second-hand values will vary both upwards and downwards.

Overview 151: Furnishings and fittings for a Catholic / Protestant church

Item	*Average price*	*Protestant*
Chasuble with stole	1,200	
Festive chasuble	4,800	
Pentecost chasuble with surplices	1,880	
Overcoats (2 x 360)	720	720
Deacon's stole	190	190
Choir robe for high feasts	3,920	
Canopy with supporting frame	6,900	
Church banner (5 x 1.6 m)	190	190
Procession banner (60 x 100 cm)	4,200	
Flagpole and accessories	530	
Albe (standard version)	290	
Rochett	330	
Altar server's surplice (2 at 150)	300	
Altar server choir shirt (2 at 180)	360	
Sacristian's robe	820	
Chalice set, 4-piece	120	120
Altar cloth (5 x 1.30 m)	420	420
Altar rug (4 x 1 m)	440	440
Church carpet (coconut fibre, 20 m)	1,100	1,100
Altar server cushions (2 pieces)	50	
Chalice (simple design)	720	720
Communion plate (simple design)	330	330
Ciborium (simple design)	760	760
Chalice paten (simple design)	200	200
Chalice spoon	140	
Communion spoon	100	
Ciborium stand	440	440
Hand washing set	290	290
Mass wine warmer	350	350

[546] See http://www.ecclesia-online.de

Mass wine jug	60	60
Measuring set	610	610
Oil flask – medicinal oils	170	
Oil vessel – Baptism	60	
Chasuble case (with contents)	1,330	
Verse bag	550	
Altar bells, 4-note	590	
Good Friday rattles (pair)	70	
Monstrance	2,700	
Custody	1,300	
Reliquary	280	
Ostensorium	410	
Incense burner with boat	1,420	
Incense burner coal lighter	130	
Candle lighter	200	
Candle snuffer	200	
Christening set	1,430	
Baptismal font	5,800	5,800
Wall-mounted holy water font (2 x 260)	520	
Portable holy water vessel	280	
Aspergill	180	
Holy water container (30 litres)	1,290	
Wedding ring holders	190	
Candle holder (4 x 20)	80	80
Tabernacle (28 x 25 x 20 cm)	2,300	
Ambo (cast brass)	1,700	
Missal / Bible stand	140	140
Gospel book with luxurious binding	2,880	
Missal	970	
Missal for Holy Week	210	
Lectionaries in 8 volumes	850	
Hymn books (100 copies at 28 each)		2,800
Eternal light glass (burns for 8 days)	90	
Eternal light oil candles (-"-, 20 pieces)	140	
Eternal Light traffic light	1,420	
Eternal Light lantern rope (5 m) and tassel	530	
Altar candlestick (40 cm) (2 at 190)	380	380
Altar cross (45 cm)	200	200
Easter candlestick (120 cm)	2,450	2,450
Standing candle holder	1,170	1,170
Bell bag	180	
Lecture cross	380	
Offertory candle holder	370	
Pulpits	1,400	
Altar	7,000	7,000
Church pews, upholstery (200 each)	40,000	40,000
Hymn book trolleys	830	830
Display case, weatherproof (160 x 106)	2,270	2,270
-"- Stand for freestanding display	380	380
Madonna (115 cm) (antique finish)	9,000	
Pieta (100 cm)	12,000	

Risen Christ (110 cm)	6,500	
Holy Bishop (100 cm)	6,700	
Cross (220 cm)	7,400	7,400
Way of the Cross (14 stations, 45x30 cm)	13,000	
Advent wreath stand	400	400
Christmas tree stand	280	280
Nativity scene (19 figures, 40 cm each)	12,600	12,600
Total	**188,060**	**91,120**

Source: Catalogue C. Ludwig, Kirchliches Kunsthandwerk, Munich, Vienna branch Josef Janauschek "Papal Purveyor to the Court", Issue 1/2000.
The chairs are supplied by Dalemans in Wertheim, where they are considerably cheaper.

It is hardly surprising that basic furnishings for a Catholic church cost around 190,000 marks, whereas that of a Protestant church costs only DM 91,000. (And that does not even include microphone systems and electric lighting.) Extrapolated to the churches (13,200 Catholic and 20,000 Protestant), the figure for the Catholic sector comes to around 2.5 billion marks (DM 2,508,000,000) and for the Protestant sector 1.8 billion marks (DM 1,820,000,000), totalling around four billion – for a conventional catalogue specification, not to say 'mass-produced goods'.

If a small organ were also required, e.g. the 'Protégé AP-2' model with two manuals of 61 keys each, 24 sounding stops and loudspeakers: at DM 17,800, you're all set.[547] So if all 33,200 churches were equipped with these, a further 591 million marks would be added.

Now anyone can look inside their church and compare what else is present in addition to this list, and ask the vicar how much his monstrance and crucifix cost, or how much he estimates the organ is worth, and compare it with the prices in the list. The 'valuation' in terms of prices will then probably turn out to be significantly higher.

20.2. Church- d Art Objects

Before we turn to the 'priceless treasures', we should attempt to determine the total number of art objects in the church sector. This is a question that can certainly be answered as a rough guide.

'Go up to the attics and open the cupboards!'[548] That was in 1986. A request

[547] http://www.musikhaus-cremer.de (price available on request by telephone)

[548] On the occasion of the art historian's retirement in July 2000, at http://www.kath.de/bistum/erfurt/aktuell/2000 (Diocese press release of 3 July 2000)

made to the art historian Rolf-Günther Lücke when he took up his post as art commissioner for the Diocese of Erfurt. It took him fourteen years to visit the churches throughout the diocese and to photograph, describe and catalogue all the art objects. There were ultimately around 15,000 art objects (excluding Erfurt Cathedral). As the diocese has 167 parishes, that amounts to around 90 art objects per Catholic church. Since the churches of the Diocese of Erfurt are certainly not among the wealthiest, this figure should be regarded as a minimum and, for the 13,239 Catholic churches, amounts to 1.2 million art objects (1,191,510). As Protestant churches are more sparingly furnished and no figures are available, we assume around 30 objects per church. That would amount to a total of 600,750 works of art for the 20,025 churches. Together, this amounts to around 1.8 million works of art in German churches – and even more if we include all chapels and cathedrals.

However, as it is entirely implausible to now make a further – and therefore unjustifiable – estimate of the average value, we shall leave it at stating this order of magnitude.

20.2.1. The value of the art objects

Let us now turn to the art treasures which are repeatedly and unanimously described as being of 'inestimable value' and which are not only accessible in ordinary churches – such as Tilman Riemenschneider's Isenheim Altarpiece in Colmar – but are also kept safely secured in cathedral treasuries.

An example will illustrate the financial scale involved. A family in the Palatinate had kept a 79 cm tall Madonna and Child in their home for generations; as needed, a thread was sometimes inserted so that it could be carried on a pole during processions, or a hole drilled into its back to attach it to the house façade; fungi took root, at some point the Baby Jesus lost his arms, then his penis was sawed off, and finally, over the centuries, mother and child were also painted over with 28 layers of paint in accordance with the tastes of the time.[549] A neighbour of the family had a hunch; the battered figure was taken to a restoration workshop and it turned out to be a work by Tilman Riemenschneider. The Mainfränkisches Museum in Würzburg wanted to acquire it (Riemenschneider lived in Würzburg) and the purchase price was negotiated: three million marks. (From the USA there were

[549] *Stern*, 29 July 1999, p. 116 (Rupp Doinet: The Madonna and the Millions)

) The citizens of Würzburg had to raise DM 500,000 in donations as their contribution; the remainder was paid by the state and federal governments.

20.2.2. Cathedral Treasuries

The Catholic community takes particular pride in the cathedral treasuries, where these special treasures are kept in the style of a museum of sacred arts and crafts, illustrating the thousand-year history of the Catholic Church.

Of course, all these exhibits have a market value, but a special investigation will be required to determine this value. The individual examples given above have already indicated some orders of magnitude. Particular individual objects, such as the 'Golden Madonna' from the Essen Cathedral Treasury, are valued in the region of 200 million marks.[550] However, to avoid getting carried away, their total value will not exceed a single-digit billion figure. A figure that is unlikely to impress us all that much by now.

20.3. Libraries

There are also special 'treasures' to be found in the libraries. The old, marvellous Gospel books are likewise among the 'priceless treasures', although this stands in contrast to the fact that, for example, *Henry the Lion's Gospel book* was auctioned for 32.5 million marks and is thus proudly described as the 'most expensive book in the world'.[551]

But let us begin here too with the 'mundane' and the question of what books are actually on the shelves in church libraries.

For the **Protestant sector,** the *Association of Church-Academic Libraries* is *part of the Working Group of Archivists and Libraries in the Protestant Church* and lists around 100 Protestant church-academic libraries in Germany (and Switzerland) 'with a total book collection of approximately 4 million volumes'.[552] Most were founded between 1890 and 1971, so that no particular incunabula (prints up to the year 1500) or manuscripts would be expected; nevertheless, there are 4,432 such more valuable volumes in the Protestant libraries.

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[550] Report by the dpa (German Press Agency) dated 6 June 2001, based on statements by the diocese's press officer and the curator of the Diocesan Museum, which in turn refer to experts' estimates.

[551] http://www.luth-braunschweig.de/luth-bs/dom/evangeliar

[552] http://www.ekd.de/bibliotheken

One notable feature is the Wolfenbüttel Regional Church Archive, which has existed since 1569 and holds, amongst other things, manuscripts dating from the 11th century. The Gospel Book of Henry the Lion mentioned above is, however, housed in the Herzog August Library in Wolfenbüttel and is therefore state property.

If we assume an average second-hand price of DM 20 per book for ordinary libraries[553], this implies a Protestant library collection worth around 80 million marks, plus the incunabula (at an assumed average price of DM 1,000) with an estimated value of 4.4 million, making a total of around 85 million marks.

In the Catholic sector, there is the *Working Group of Catholic Theological Libraries*, "an association of currently 152 academic libraries under the auspices of the Catholic Church".[554] The overview of member libraries also includes 69 monastic libraries – which again clearly takes us beyond the sphere of the "institutional Church". These libraries represent (in 1999) a collection of 13 million volumes (with over 100,000 volumes added annually). Based again on a retail price of DM 20 per volume, this represents an asset value of 260 million marks.

11,500 incunabula are held in these Catholic libraries, 3,060 in the monastic libraries and 8,440 in the 'official church' libraries, which represents a minimum value of a further DM 11.5 million, amounting to a total of around 272 million marks of Catholic 'book assets'.

It is impossible to assess the value of the 9,500 manuscripts. Nor should special books, such as 'a precious parchment manuscript'—the 11th-century *Limburg Gospel* (Cologne Cathedral Library)—or a *Low German Cologne Bible* from 1477 and the *Book of Hours of Adrian van Liesfeld* from 1494 (both in the Archiepiscopal Academic Library in Paderborn) are not to be valued here – although they are likely to be worth millions – but merely serve to illustrate that the combined figure of 357 million marks for the 'book assets' of the ecclesiastical libraries should be regarded only as a very rough guide.

[553] See, for example, the list of duplicate copies of contemporary books from the Archabbey of St Ottilien, at: http://www.erzabtei.de/antiquariat

[554] http://www.akthb.de

21. Media presence

Television / Radio / Newspapers / Internet

In contrast to the chapter dealing with the churches' media enterprises, the subject of this section is the free use of public service or private media – through which the churches thus receive a service of monetary value.

21.1. Television

21.1.1. Public broadcasters

The *'Wort zum Sonntag' (word/sermon for sunday)* programme on Saturday evening on ARD is likely to be widely known.

Let us now take a look at what church programmes can be seen on public service television on a perfectly ordinary Sunday. So, a glance at the church newspaper, a random selection: Sunday, 22 August 1999[555] : First an interview with Cardinal Höffner, then shamans or organ music to accompany the first coffee, and finally breakfast during the service. Due to our Sunday afternoon nap, we miss a few programmes, then we hear the latest on exorcism and finally, in the evening, a religious feature film from the Tellux Group.

Overview 152: Church programmes, Sunday 22 August 1999, ARD + ZDF

Time	*Channel*	*Topic*
7.00	3sat	A conversation with Cardinal Joseph Höffner.
9.00	Phoenix	Faith and Life – Gods, Spirits and Shamans
9.15	ZDF	Current Affairs (Church and Society)
9.15	3sat	Soli Deo Gloria. The Organ Landscape of Thuringia
9.30	ZDF	Catholic service, broadcast from Kranenburg on the Lower Rhine
9.30	Phoenix	Worlds of Faith: Heaven, Hell and Nirvana
10.15	BR	Stations: Montecassino – Benedict's Holy Mountain
10.30	BR	Children's Channel: Forbidden Stories
11.30	Hessen3	Light over Africa. The *Christoffel Mission for the Blind* in Kenya
16.30	South West	One in two gets through. Report.
17.30	ARD	The Exorcists. At the start of the year, a new exorcism ritual was introduced
18.00	3sat	Diary
18.15	ARD	St Nicholas' Church. Feature film about a family of officials, the Stasi Pm and two church congregations in Leipzig

[555] *Heinrichsblatt*. Church newspaper for the Archdiocese of Bamberg, No. 34, 106th year, 22 August 1999.

If anyone thinks this Sunday presents a distorted picture, they are unfamiliar with the public service broadcasters, for there are fixed schedules: Sunday begins at 7.55 am with the ringing of bells, then the church service is broadcast into the living room, and throughout the day there are eight different programmes to choose from. From Monday to Friday, programmes, features and discussions are then offered in a fixed sequence, until Saturday evening, when the weekend is heralded by the ringing of bells and one goes to sleep with the 'Word for Sunday'.

Overview 153: Fixed church broadcast slots on ARD and ZDF

Sunday:		
07.55 – 08.00	MDR	*Church bells* + Regional church programme
08.00 – 08.30	MDR	*Signs of Faith* (Feature: Religion, ...)
09.15 – 09.30	ZDF	*Zur Zeit* (Magazine) (Alternating with ARD)
09.30 – 10.15	ZDF	*Church service* (alternating with ARD)
10.15 – 11.00	BR	Religion slot (depending on the programme)
11.00 – 11.30	SFB	*Kirchplatz* (reports from Berlin, etc.)
11.15 – 11.45	DW	*Matters of Faith* (Portraits of congregations)
11.30 – 12.00	HR	*Matters of Faith* (Reports, Features)
1.30 – 2.00	ORB	*Heaven and Earth* or *Church and World*
14.30 – 15.00	WDR	*God and the World Today* (magazine programme)
15.30 – 16.00	DW	*Matters of Faith* (see 11.15)
16.30 – 17.00	SWR	*Paternoster* (magazine programme)
5.30 – 6.00	ARD	*God and the World* (documentary, report)
18.00 – 18.15	3sat	*Diary* (magazine programme)
Monday:		
10.30 – 11.00	SWR	*Paternoster* (repeat from Sun 16.30)
16.00 – 16.45	3sat	*Blickfeld* (feature)
8.15 pm – 9.15 pm	BR-alpha	*Forum* (Discussions on religion)
Tuesday:		
7.30 – 8.15	BR	*Stations* (News, Reports, ...)
10.15 pm – 10.45 pm	ZDF	*37°* (documentary on life changes, etc.)
Wednesday:		
12.30 – 13.00	3sat	*37°* (repeat from Tue 22.15)
Thursday:		
10.30 – 11.00	3sat	*Orientierung* (Religious magazine / ORF)
1.30 – 2.00	WDR	*God and the World: Latest* News (Sun 14.30)
10.15 pm – 11.15 pm	HR	*Horizons* (magazine programme, debate)
10.30 pm – 11.00 pm	MDR	*Signs of Faith* (feature, magazine programme)
23.00 – 23.30	ZDF	*Documentary* (6–10 times a year)
Friday:		
11.40 – 11.55	3sat	*Diary* (repeat from Sunday 18.00)
1.00 – 1.30	ORB	*Church and the World* ... (repeat from Sun 13.30)
Saturday:		
6.45 – 6.50	MDR	*Church Bells* (see Sun 7.55 am)
6.20 – 6.40	WDR	*God and the World* Today (see Sun 14.30)
22.20 – 22.25	ARD	*Word for Sunday* (Proclamation)

. Source: "Church, Religion and Theology on Television", at http://www.ekd.de/rundfunk/fernsehen/fernsehen-m.html

In addition to the Easter and Christmas holidays – the true highlights of Christian television – there are also special programmes covering specific events. "As a small consolation for all those who cannot be there in Hamburg: despite the start of the EXPO, television is reporting quite extensively on the Catholic Day. Here is a small selection." This is followed by an overview of a total of 14 hours of broadcasting on ARD, ZDF, Phoenix, N3, ORB, B1 and BFS.

If the Statistical Yearbook of Germany now states that within ARD's 1994 broadcasting schedule, 73 hours were allocated to the 'Religion' section and 77 hours in 1997, that seems rather little. (ZDF does not even list this category, but, assuming parity, is likely to broadcast just as much, or even more.)[556] That would amount to 150 hours of airtime.

However, the total of the fixed broadcasting slots already identified (Overview 153) amounts to 835 minutes per week, which is equivalent to 13.9 hours. Extrapolated over a year (52 weeks), this amounts to 723 hours.

To this would now have to be added the additional programmes for Easter and Christmas, the Church Congresses, etc., but the departmental allocations are different: 'Ben Hur' or 'The Ten Commandments' are feature films, and the popular charity gala for *misereor* and *Brot für die Welt* is entertainment; reports on the Pope's visit to Israel are news items on politics and society, and so on.

But: you can be sure that if a priest appears on the telly (even in 'Tatort'), it is a programme produced in collaboration with the Church Programme Commissioners. This isn't necessarily the case with a crime drama set in a monastery, as the scriptwriters are gradually growing tired of the constant brothels and 'strip clubs' in the red-light district and are looking for 'more exotic locations': after all, which of us has ever been to a monastery?

Now one might object that (as with the following radio programmes) a distinction must be made between two programme pillars. On the one hand, there are the religious 'proclamation programmes', namely the church services and sermons, for which the churches bear editorial responsibility; on the other hand, there are journalistic features produced by independent editorial teams within the broadcasters, who also bear editorial responsibility for their content, and it is therefore inadmissible to describe them as church programmes.

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[556] See *Statistical Yearbook 1996*, p. 417, and *Statistical Yearbook 1999*, p. 411.

So let us build a bridge: ARD divides its programmes into twelve departments, and one of these departments is 'Religion'. In 1999, the following were broadcast on ARD:

Overview 154: ARD TV programmes, 'Religion' section, 1999

First Channel, ARD Third	3,153 minutes	53 hours
Channels	32,150 minutes	536 hours
3sat	1,753 minutes	29 hours
Total	*37,056 minutes*	*618 hours*

Source: ARD: Yearbook 1999, p. 403 ff. (Tables 1, 9 and 13)

The remaining 135 hours out of the total of 723 are attributable to ZDF, of which 52 hours are already contributed by church service broadcasts – alternating weekly between Catholic and Protestant services. The Catholic and Protestant television work at ZDF 'intermingles' with other editorial teams; for example, 32 programmes in the *37°* series are produced by the 'Church and Life' editorial teams, both Catholic (15) and Protestant (17 programmes). Ten programmes in the *ZDF documentary section* originate from the church editorial teams, as do twelve *special programmes* and ten programmes in the *blickpunkt* series. [557]

Both churches have their own programme departments for their television work, the status of which is also institutionally secured. In the case of the public service broadcasters (ARD and ZDF with their subsidiaries: 3sat, arte, Kinderkanal, Phoenix), the churches' participation as 'socially relevant groups' on the broadcasting councils is guaranteed. They have a say in decision-making and, moreover, do not have to pay anything for their 'third-party broadcasting rights'.

The financial outlay that the broadcasters ARD and ZDF thereby provide as a monetary benefit to the churches is estimated at 300 million DM[558] by those critical of the churches. (This figure was first put forward in 1992 by the Green Party's state working group on the 'separation of church and state' in North Rhine-Westphalia and has since been repeated unquestioningly time and again: as an 'estimate by experts'.) A figure that causes astonishment in the broadcasters' finance departments, as no one there has ever calculated these figures. Each programme has its own specific costs, ranging from around DM 350,000 for a church service broadcast (i.e. DM 7,778 per minute) to DM 65 for a repeat (per minute). An approximate estimated value of the monetary

[557] See *ZDF Yearbook 1999*, p. 371 ff.
[558] e.g.: http://www.staat-und-kirche.de

savings for the churches, which remains highly problematic as it is a flat-rate figure, can be calculated on the basis of broadcasting minutes/cost price on a full-cost basis per department plus the costs of transmission.[559]

If we add the broadcasting times to the production costs, this results in a figure of around DM 69 million for ARD television programmes (including regional channels and 3sat) and, on a comparable cost basis, DM 15 million (14,967,140) for ZDF.

Overview 155: 'Religion' programmes and broadcasters' production costs

Broadcasting network (ARD) / Type	*Min./week*	*e x Cost price*	*= Total .*
1st channel – First broadcast	220	4,063	893,860
– Repeat	45	65	2,925
Channel 3 – First broadcast	425	967	410,975
– Repeat	145	68	9,860
Total	*835*		*1,317,620*
Weekly total 1,317,620 x 52 weeks = DM 68,516,240 per year			

Source: ARD: Yearbook 1999, p. 370 ff.

Of the two churches, the Catholic Church is the more active on television and the more diverse economically. 'Catholic Television Work at ZDF', to which the EKD has no comparable counterpart, offers books and video cassettes for sale in addition to television programmes, and organises holiday trips under the umbrella title 'Roots and Visions'.[560]

21.1.2. Private television stations

The churches also have framework agreements with SAT.1 and RTL, granting them 45 minutes of airtime per week and 20 hours of airtime per year respectively. "Currently [1997], the churches are represented with 1,888 minutes of airtime per year, of which the Protestant side accounts for 152 minutes and the Catholic side for 1,736 minutes! The Catholic Church, represented by seven companies and the Tellux Group as the umbrella organisation, is now in the black after relatively low initial investment."[561]

Regular church programmes on SAT.1:

- *Schwarz greift ein.* A very successful evening series. Each consisting of a pilot episode

[559] See ARD: *Yearbook 1999*, p. 370 ff. (Table 37)
The production costs for the 'Religion' section on the main channel (first channel) amount to DM 3,998 per minute plus playback DM 26 and broadcast DM 39 = DM 4,063. On the third channel, the production cost is DM 899 plus DM 19 for playback plus DM 49 for broadcast = DM 967 per minute.

[560] http://ww.kath.de/kfa/produkte.htm

[561] Besier, *Konzern Kirche*, p. 93.

and 13 episodes: Every Wednesday, 8.15 pm. The churches contributed 10 per cent towards the production costs (1.5 million), i.e. they have made a monetary saving of *13.5 million* through 'private funding'. As the third series is now already being broadcast, the saving now amounts to 41 million marks.In return for its 10 per cent share of the funding, the Catholic Church receives the entire domestic and international marketing rights.[562]

- *Viewed in this light* (alternating monthly with the Protestant Church). The SAT.1 priests interpret current events from the Church and society in Christian dialogue. Weekly, Sundays: 6.10 am and around midnight.
- *Sunday-Up*. Celebrities talk about how they spend their Sundays and what this day means to them. Weekly, Sundays, during the morning show 'Weck-Up', 8.00 am to 9.00 am.
- *StaRccato* does not have a fixed slot. It is broadcast 'on a rolling basis'. Over 40 celebrities from the SAT.1 programme talk about themselves, God and the world.
- *'Club of a Thousand Dreams'*, docu-soap, May/June 1999. As part of the church programme, the church representative was keen to involve a pastor in the club's activities.[563]

However, the assumption that this collaboration proceeds to the satisfaction of both parties is incorrect. SAT.1 has so far refused to recognise a 'legal entitlement' of the churches to a *fixed* slot – the broadcasting rights in special 'church slots' early on Sunday mornings were merely granted to the churches as a gesture of goodwill – yet they are increasingly insisting on their 'documented' rights (State Broadcasting Treaty § 42(1) and the licence notice for SAT.1).

Broadcasting church services is out of the question anyway – where are the broadcasters supposed to place the adverts? When the priest says to the congregation: 'We are now interrupting the service for a short commercial break'? That is not possible, as it is prohibited under the broadcasting agreements.

The churches and SAT.1 negotiated unsuccessfully in 1998–1999; subsequently, both churches produced, at their own expense (!), a pilot programme for a 'church magazine' on SAT.1, which the broadcaster, however, refused to air. Consequence: on 18 April 2000, the churches applied to the media regulatory authority for formal supervisory proceedings against SAT.1 – as "SAT.1 can only be persuaded to engage constructively if there is a legally confirmed claim".[564] Status of the dispute in July 2001: No decision has yet been made.

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[562] MIZ Report No. 2130
[563] All information according to: http://www.kath.de (Media/TV SAT.1 Catholic)
[564] http://www.ekd.de/rundfunk/news/meldungen (May 2000)

But just as private broadcasters do not demand advertising slots from church-affiliated or church-related companies as a means of funding – the broadcasters organise this themselves – so too, as on public service television, airtime is not made available to the churches free of charge. As a result, the two churches (based on the lower production costs of the third ARD channel, as SAT.1 was unable or unwilling to provide production cost figures upon request) have achieved a monetary saving of DM 1,830,000 and a saving on production costs of DM 13.5 million.

Overview 156: Monetary value of services provided by all television broadcasters

ARD	DM 68,516,240
ZDF	DM 14,967,140
SAT.1	DM 15,330,000
Total	*DM 98,813,380*

21.2. Radio stations

Given the manageable number of television channels, the number of television programmes can still be reasonably accounted for. With the multitude of regional radio stations in Germany, this is only possible on an illustrative basis. Over the course of the week, (at least) 77 programmes are broadcast. As with television, the focus is on Sunday, when church services are broadcast across the region.

Overview 157: Fixed slots for church programmes on public service radio

Time	*Station*	*Programme*
Sunday		
06.05 – 06.30	BR 5	*The Churches* (Current Affairs Magazine)
06.05 – 06.30	NDR 4	*Lifestyles* (Feature)
07.05 – 07.30	NDR 4	*Focus: This Side* (Magazine)
07.05 – 10.00	SWR 1	*Sunday Morning* (magazine programme)
07.15 – 07.30	NDR 4	Various religious communities (sermon)
07.30 – 08.00	DLR	*Morning service* (Proclamation)
07.30 – 08.00	DRB	*FeierTag* (Annunciation)
07.30 – 07.45	MDR Kultur	*Religion and Society* (magazine *programme*)
07.45 – 08.00	MDR info	*From Religion and Society* (magazine programme)
07.45 – 08.00	MDR 1	*Word on Sunday* (Sermon)
07.45 – 08.00	NDR 1	*Sundays with Us* (On church life)
07.45 – 08.00	NDR 1/MV	*Meeting Point Church* (Magazine)
07.45 – 08.00	WDR 5	*The Spiritual Word* (programme with music)
08.00 – 09.00	Classical Radio	*Sunday Cantata* (programme)
08.05 – 08.30	HR 1	*Church and World* (Reports)
08.05 – 08.20	NDR 1	*Sundays with us* (Part 2)
08.05 –	SFB 4	*From Abraham to Zarathustra*
08.10 – 08.30	DLF	*Sunday Morning* (Feature)
08.25	InfoRadio	*Church in Brief* (News)
08.30 – 08.55	HR 1	*Protestant Morning Service* (Sermon)

08.30 – 09.00	WDR 3	*Signs of Life* (Essay to Radio Play)
08.40 – 09.00	NDR 3	*Matters of Faith* (essays)
08.40 – 08.55	ORB	*Speaking of Sunday* (Features)
08.45 – 09.00	MDR Info	*From Religion and Society* (see 07.30)
09.00 – 09.30	BR 2	*Protestant Perspectives* (Feature)
09.00 – 09.30	SFB/ORB	*God and the World* (Feature)
09.05 – 09.30	NDR 4	*Focus: This Side* (see 07.05)
09.10 –	SWR 1	*Bible in Conversation*
10.00 – 11.00	MDR Kultur	*Church Service*
10.00 – 11.00	NDR 4	*Church service*
10.00 – 11.00	RB 2	*Church service*
10.00 – 11.00	SFB/ORB	*Church service*
10.00 – 11.00	WDR 5	*Church service* (monthly)
10.04 – 10.59	SR 2	*Church service*
10.05 – 10.35	BR 1, SR 2	*Morning service* (Proclamation)
10.05 – 11.00	DLF, DW	*Church service*
10.30 – 11.00	SR 2	*Orientation* (feature)
11.03 – 11.29	HR 2	*Camino – Religions on the Way* (Rep.)
11.30 – 11.55	HR	*Protestant Morning Service* (see 08.30)
12.05 – 12.30	SWR 2	*Questions of Faith* (single-topic)
1.30 – 2.00	WDR 5	*This Side of Eden* (Magazine)
15.35 – 16.00	BR 5	*The Churches* (see 06.05)
17.05 – 17.30	NDR 4	*From Religion and Society* (see 07.45)
Monday		
09.35 – 10.00	DLF	*Day by Day* (magazine programme)
13.06 – 13.30	SR 2	*Midday Review* (magazine programme)
17.36 – 18.00	SR 2	*Evening Review* (magazine programme)
Tuesday		
09.30 – 09.56	HR 2	*The Alternative* (feature)
09.35 – 10.00	DLF	*Day by Day* (Magazine)
13.06 – 13.30	SR 2	*Midday Review* (magazine programme)
17.36 – 18.00	SR 2	*Evening Review* (magazine programme)
Wednesday		
09.30 – 10.00	SR 2	*Forum: Questions of Meaning and Faith*
09.30 – 09.59	SR 2	*Health programme* (monthly)
09.35 – 10.00	DLF	*Day by Day* (magazine programme)
13.06 – 13.30	SR 2	*Midday Review* (magazine programme)
17.05 – 18.00	HR 2	*Body and Soul Forum* (magazine programme)
17.36 – 18.00	SR 2	*Evening Review* (magazine programme)
19.00 – 19.30	BR 2	*Time for Reflection* (meditative to feature-based)
19.05 – 19.30	SWR 4	*Evening Reflections* (light-hearted and uplifting)
20.10 – 20.30	DLF	*Studio Time* (Feature)
21.05 – 22.00	ORB	*Here and There* (Reports)
Thursday		
09.35 – 10.00	DLF	*Day by Day* (magazine programme)
13.06 – 13.30	SR 2	*Midday Review* (magazine programme)
19:05 – 19:30	SFB/ORB	*Between Heaven and the Havel* (magazine programme) .
Friday		
09.30 – 09.56	HR 2	*The Alternative* (feature)
09.35 – 10.00	DLF	*Day by Day* (magazine programme)
13.06 – 13.30	SR 2	*Midday Review* (magazine programme)

17.36 – 18.00	SR 2	*Evening Review* (magazine programme)
18.30 – 18.55	BR 2	*Church and the World* (magazine programme)
22.00 – 23.00	SFB/ORB	*Earth, Humanity...* (monthly)
Saturday		
07.40 –	MDR	*Church News*
08.30 – 09.00	WDR 3	*Signs of Life* (from essays to radio plays)
1.15 pm – 2.00	SFB/ORB	*The Conversation* (Talk)
17.30 – 18.00	DRB	*For Example*
18.00 – 18.30	SR 2	*First World – Third World* (monthly)
19.05 – 20.00	RB 2	*Spirit and Time* (feature)

Source: "Church, Religion and Theology on Radio" List available at http://www.ekd.de/rundfunk/hoerfunk/radio-m.html

This extensive overview of regular slots does not include, amongst other things: the five-minute devotions on fifteen stations on weekdays, programmes featuring exclusively church music (e.g. *"Glocken und Chor" on NDR 3:* G. Allegri: 'Misere mei Deus' or: *Cantata/NDR 3:* Schütz: "Christ is risen…"), the 'special broadcasts' at Easter (four papal 'urbi et orbi' blessings every half hour), not to mention Christmas, the programmes with church-related themes in the general schedule (e.g. *Studiozeit/MDR Kultur*: "The Idea of God" by Karl Jaspers), as well as the few, but nonetheless existing, programmes on commercial radio (e.g. *Moin Chef/delta radio*: Show with God and Martin Welck). Programmes that add up to several hours per week.

Apart from this 'unreported figure', the weekly overview lists 2,160 minutes of church programmes listed, i.e. 36 hours per week. Extrapolated over a year, that amounts to 1,872 hours – and, if you sleep for eight hours a day and spend the remaining sixteen hours listening to one programme after another on the radio: you could then receive church programmes continuously for 117 days or four months.

To calculate the monetary value of the service – costs that do not need to be paid by the churches – the broadcasters' production costs for 'magazine programmes' can be used as a basis:[565] 2,160 broadcasting minutes (at DM 195 each) per week = DM 421,200 x 52 weeks = DM 21,902,400 in 1999.

In total, the churches receive a monetary benefit in the region of DM 121 million from the public service television and radio broadcasters as well as the private broadcasters.

[565] See ARD: *Yearbook 1999*, p. 372 "Average production costs per minute of broadcasting". Magazine programmes: DM 188 plus DM 7 for broadcast = DM 195 per minute.

Overview 158: Benefits in kind for media presence

Public service television	DM 83,483,380
Public service radio	DM 21,902,400
Total	*DM 105,385,780*
plus private television and radio	DM 15,330,000
Total	*DM 120,715,780*

21.3. Newspapers

German press law sets out very clear criteria for newspapers and magazines regarding what constitutes 'editorial content' and what constitutes 'advertising'. In particular, articles that appear to be normal editorial content *must* be marked 'advertisement' if they are (disguised) corporate advertising.

As the churches are not commercial enterprises in form, they do not fulfil their mission of proclamation in the same way as, for example, a landscaping firm that promotes its goods in an 'editorially packaged' manner for the purpose of sales and increasing turnover. Thus, for two reasons, the word 'Advertisement' need not appear above the pastor's message for the weekend ('God and the World'). Firstly, because it is information, and secondly, because the churches do not have to pay for these 'editorial contributions' – the pastors are, so to speak, unpaid 'freelancers'.

Digression: The Internet

It is revealing to query this 'modern oracle' about 'church assets' using the available explicitly 'Christian search engines'.

The results: *feuerflamme*: 'Search unsuccessful', *leviathan*: 'Your search returned the following error: no matching results found', *jesus.de*: '0 entries found', (*EKD: Kirche interaktiv):* 'Summary of search for "church assets": Search found 0 hits in 0 files'. Then, surprise, *Kath.de* reports: 'Hits 1 to 4 of 4 documents found are displayed.' But all four results refer to the *Central Institute for Church Foundations* (see chapter: *Foundations*), which repeatedly states that church foundations do not form part of church assets.

So we abandon the Christian search engines, which find nothing that is not permitted to be discussed, and put the search engine *Fireball* to work: 92 results, with thoroughly interesting aspects of historical descriptions and legal advice, e.g. how local authorities can defend themselves against building obligation claims from church parishes.

22. Welfare organisations

Caritas / Diakonisches Werk / Dual funding

'Caritas', 'Innere Mission' – Roman Catholics prefer to name their organisations in Latin, while Protestants traditionally use German. (Although the word 'deacon' – 'the servant' – is itself of Greek-Latin origin.)

Both Caritas e.V. and *Diakonisches Werk e.V.* (both registered associations!) are among the 'top tier of their sector' – more precisely, they are 'umbrella organisations' within the independent welfare sector – and, together with the other umbrella organisations (Arbeiterwohlfahrt, Deutscher Paritätischer Wohlfahrtsverband, Deutsches Rotes Kreuz and Zentralwohlfahrtsstelle der Juden in Deutschland) the *Federal Working Group of Independent Welfare Organisations* (BAGF). 'Membership comes with special privileges and secures a monopoly position for the provision of social services and cooperation with the state.'[566]

Unfriendly contemporaries also refer to them as the 'Mafia of the German welfare industry', because they dominate and control an economic sector in which billions are turned over and – as 'umbrella organisations' – have exclusive access to state and public bodies.

Furthermore, these six associations have founded their own bank (the *Bank für Sozialwirtschaft AG,* as previously described)

"Every year, it grants interest-free loans totalling around DM 20 million from funds provided by the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth. (...) This loan fund has a total volume of around DM 340 million and runs until 2045."[567]

However, in their appeals for donations, the associations specify other financial institutions – usually Postbank.

When the independent *Monopoly Commission* appointed by the Federal Government also assessed the German healthcare system in Chapter VI of its main report for 1996/1997, it wrote, among other things, about the welfare associations: "A defining feature of the position of independent welfare organisations is the close network of cooperation and exchange that these

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[566] Martina Scholz: *On the applicability of economic theory regarding non-profit organisations to church institutions in industrialised countries and in Third World countries.* Texts from the Research Centre of the Evangelical Study Society, B 20, 1993, p. 45.

[567] Bank for Social Economy: *Annual Report 1998*, p. 32.

sector with the state at its federal levels and the social insurance schemes. As a result, this sector is coordinated outside the competitive market order. These *neo-corporatist structures* are partly based on provisions of social legislation. The close cooperation between social security providers and voluntary non-profit institutions and organisations is, for example, explicitly stipulated in SGB I [Social Code]."[568]

This statutory enshrinement of the principle of subsidiarity has created social-charitable structures which, in the churches' accounts, always represent one—or indeed the most important—of the justifications cited for church tax: "The German church tax system is efficient and ultimately serves both the Church and the state itself, which is relieved of many tasks by the numerous social and charitable church institutions—tasks it would have to undertake itself were the church tax abolished."[569] This view has been repeatedly contested, as the churches subsidise their social organisations with only around 10 per cent of church tax revenue, i.e. (in 1999) with around 1.7 billion marks.

State support for the churches through the full tax deductibility of church tax as a 'special expense' is estimated at 6.8 billion.[570] In this context, it would be 'cheaper' for the state to actually regard religious affiliation as a private matter, to no longer give preferential treatment to church tax, and to take over the churches' social and charitable institutions 'under its own management'. This would mean a loss of revenue for the state of around 5 billion less than under the existing regulations.

However, I have been told in response to this argument that it is simply wrong, because the state would then have to pay rent for these facilities, since they belong to the Church. That is correct insofar as it goes. What was not mentioned, however, is that most of these facilities were built at the state's expense or with state subsidies, and that the state is expected to pay rent for facilities that it has already paid for.

On the other hand, such a takeover would also address internal church criticism of the two social organisations, which notes that both associations only become active once state funds are flowing. In the case of the Diakonie, the self-critical assessment states:

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[568] Monopoly Commission: *Main Report 1996/1997*: Comprehensive Market Liberalisation. Baden-Baden: Nomos, 1998, p. 330.

[569] Secretariat of the German Bishops' Conference: "Church Tax", in: http://www.debk.de/stichwoerter (Church Tax), p. 1, (August 1999.)

[570] Cf. chapter: State waiver of revenue.

"It is obvious how little church social work has achieved in this very area [regarding new challenges, ed.] in recent years. Because state funding was not (yet) available, entire areas of work were identified and publicly called for but were then not addressed out of a sense of diaconal duty. This is particularly shameful because some of these are and were particularly pressing needs, which were then pioneered by (at times aggressively anti-church) self-help groups, even though they not only fitted into the classic remit of the Diakonie but actually belonged there by right." Examples include women's shelters and AIDS support.[571]

The same applies, however, to the Caritas sector, where the *Social Service of Catholic Women* (with the support of the Central Committee of German Catholics) founded the *Donum Vitae* association in September 1999. 100 counselling centres were to be established by the end of 2001. By October 2000, there were only eleven counselling centres, because state subsidies are still flowing to the Catholic dioceses. "Counselling centres [of *Donum Vitae*, ed.] currently exist only in those federal states where the state funds them."[572]

These are intended to be just two examples illustrating the internal financial issues of the two organisations, which also occupy a special position among the welfare organisations: "The Diakonie combines actual social work with a church-based mission arising from the practice of charity. In terms of production theory, a combined product is created, the outputs of which – social assistance and religious care – are offered to the recipient and, where appropriate, provided as a single unit."[573]

Or as the Church itself states in the preamble to the statutes of the Diakonie: "The Church has the mission to bear witness to God's love for the world in Jesus Christ to all people. (...) Since alienation from God is humanity's deepest need and since human salvation and well-being are inextricably linked, Diakonie is carried out in word and deed as a holistic service to humanity."[574]

The dominant position of the six 'umbrella organisations', and in particular the special situation of the two Christian organisations, is, however, not a 'German' phenomenon, but a 'West German' peculiarity.

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[571] Markus Rückert: *Diakonie and Economics: Responsibility, Financing, Economic Efficiency*, Gütersloh, Gütersloher Verlagshaus, 1990, p. 187.

[572] The Deputy Chair of Donum Vitae Hamburg, in: *Hamburger Abendblatt*, 4 January 2001, p. 14.

[573] Monopolies Commission, *Main Report 1996/1997*, p. 329.

[574] Statutes of the Diakonisches Werk der Evangelischen Kirche in Deutschland e.V. dated 6 June 1975, as amended on 29 November 1978.

This difference can be illustrated by an overview of the Daycare facilities for children. Whilst two-thirds are run by independent providers in the West, the figure is only 16 per cent in the East.

Overview 159: Daycare facilities for children in Germany, 1994

			'Old' federal states		"New" federal states	
Provider	Number	%	Number	%..	Number	%..
Public	22,108	47%	11,613	34%	10,495	84%
Independent providers	24,515	53%	22,558	66%	1,957	16%
Total	*46,623*	*100*	*34,171*	*100*	*12,452*	*100*

Source: Federal Statistical Office (1996): Specialist Series 13, Series 6.3: 'Institutions and staff in youth welfare 1994', pages 18–19, 80–81, 96–97.

This extreme disparity in the distribution of independent providers' facilities cannot be explained solely by the state-run facilities of the former GDR; rather, a further differentiation of independent providers' facilities alone reveals that the difference in 'confessionalisation' also manifests as a difference in mindset.

Overview 160: Day-care facilities run by independent providers for children

Independent Provider	*Number*	*%*	*"Old Federal States"*		*"New Länder"*		*% N.L.*
			Number	*%*	*Number*	*%*	
AWO	1,294	*5.3*	918	*4.1*	376	*19.2*	*29.1*
DPWV	1,662	*6.8*	1,235	*5.5*	427	*21.8*	*25.7*
DRK	754	*3.1*	493	*2.2*	261	*13.3*	*34.6*
D.W. + EKD	7,699	*31.4*	7,227	***32.0***	472	***24.1***	***6.1***
Caritas + Catholic Church	9,487	*38.7*	9,322	***41.3***	165	***8.4***	***1.7***
ZWStJ	7	*0.03*	7	*0.03*	-	-	*0*
Religious Community	142	*0.6*	123	*0.6*	19	*1.0*	*13.4*
Youth organisations	33	*0.1*	27	*0.1*	6	*0.3*	*18.2*
Business enterprises	123	*0.5*	116	*0.5*	7	*0.4*	*5.7*
Other organisations	3,314	*13.5*	3,090	*13.7*	224	*11.4*	*6.8*
Total	*24,515*		*22,558*		*1,957*		*8.0*

Compared to their 73 per cent market share among independent providers in the western states, the two denominational associations account for only 33 per cent in the eastern states, and their share of facilities in the east amounts to just 8 per cent of their total day-care facilities.

However, let us remain at the level of Germany as a whole, as the figures are rarely available in such detail. Around 600,000 full-time staff – that is just under 80 per cent of all full-time staff employed in the independent welfare sector – were employed by the two largest denominational associations in 1990.[575] By 1998, the figure had risen to 895,624 full-time staff: 476,186 at Caritas and 419,438 at the Diakonisches Werk.

[575] Scholz, *On the Applicability of Economic Theory*, p. 5.

A change that cannot be explained solely by the 'Aufbau-Ost' (rebuilding of the East). It also reflects the fact that, for example, a parish nurse who was previously employed by the parish suddenly belongs to the Diakonisches Werk or Caritas without any change in her duties – based on the simple logic that this parish nurse, who was previously paid by the church, is now funded from public coffers.

The sheer scale of the workforce alone suggests that each of these organisations would warrant its own extensive study. However, this would go far beyond the scope of this book, and so we shall remain at a national level in order to at least provide a rough estimate of the scale involved in these church-run organisations.

22.1. Caritas

Caritas (e.V.) coordinates the Catholic Church's work in the fields of health, care and social assistance and is the most significant welfare organisation, with a market share of around 40 per cent among the leading associations.

In 1987, Caritas operated 25,801 facilities.[576] In 1999, there were 26,063 facilities with a total of 1,238,711 beds/places, and Caritas employed 282,961 full-time and 193,225 part-time staff, making a total of 476,186 employees – including 12,253 members of religious orders[577] (see Overview 161).

All of this is organised not only according to state funding and the provisions for social security-compliant cost reimbursement, but also at diocesan level (27 associations), with further subdivision into 636 deanery, district, county and local Caritas associations. The whole structure is then 'cross-referenced' with 19 central specialist associations, alongside which there are a further 276 charitable religious orders and associations.

Although the chair is held by the 'Patron' of the Episcopal Commission 'Caritas and Welfare', all associations and societies nevertheless carry out their statutory activities independently (Section 4(5) of the Statutes of the German Caritas Association).

One consequence of this is that members of the public unfamiliar with these legal entities may mistake individual parts of Caritas for the whole organisation, and the ctt scandal (*Caritas Trägergesellschaft Trier*) has damaged the reputation of the entire Caritas. Not only was the ctt managing director convicted of

[576] Bühler, Hans Harro: The Catholic Institutions of Caritas in Germany, in: German Caritas Association (ed.): *Caritas 89*, Yearbook of the German Caritas Association, p. 21 ff.

[577] cf. http://www.caritas.de/2ver/stat/80603.htm

fraud and bribery, but the then Federal Minister of Transport, Klimmt, also had to resign, as he had 'colluded' in his capacity as Minister-President at the time.

The German Caritas Association writes the following in an information sheet: "The ctt is a legally independent institution [as a non-profit church association, ed.]. It is a member of the Caritas Association of the Diocese of Trier. However, ctt is not subject to the directives of either the Caritas Association of the Diocese of Trier or the German Caritas Association in Freiburg. The control mechanisms on the part of the diocese were activated too late in this case. This is a serious dereliction of duty that cannot be glossed over."[578]

It is also often overlooked that, in addition to the managing director's personal motives, it was his (successful) strategy to maintain ctt's existing position in the 'distribution battle' within the healthcare market. And it is an example of the shift in the charitable sector towards profit-oriented enterprises, which are no longer run by 'kind nuns' but by 'tough managers'.

However, as we did not wish to take these internal factors into account, we stuck with the umbrella organisation.

If one takes the average *salary payments* of the Archdiocese of Cologne as a plausible benchmark for Caritas's *financial volume*,[579] this results in expenditure of around 30 billion marks (DM 29,899,719,000) on wages and salaries for Caritas's 476,186 employees. To assess what these wage and salary payments reveal about the overall financial volume, let us examine one area in more detail for which official figures from the Federal Statistical Office are available: hospitals.[580]

Caritas operates 527 hospitals with 121,748 beds under its own management. (This represents 21 per cent of all German hospitals and also 21 per cent of all hospital beds.) Based on an average bed occupancy rate of 80.7 per cent, this amounts to 35,862,000 days of care, which (in 1997) cost an average of DM 557, meaning, when multiplied, a total expenditure of 20 billion (DM 19,975,134,000).[581]

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[578] Caritas International: 'Caritas Intern: You ask, we answer'. A4 supplement.

[579] DM 583,631,000 for 9,295 employees, including all employer contributions, etc., represents an average financial cost of DM 62,790 per employee

[580] "Hospitals and Hospital Costs 1995–1997", in: *Der Fischer Weltalmanach 2000*, column 225.

[581] Converted to average turnover per employee, this amounts to 105,000 in turnover per employee. Compared to the turnover per employee in both the painting….

In these Caritas hospitals,189,383 employees, who, according to the calculation explained above, cost DM 11.9 billion in personnel expenses, which corresponds to exactly 60 per cent of total costs.

Overview 161: Caritas facilities / staff as at 1 January 1999 by specialist area:

Facilities in specialist area	*Number*	*Beds / Places*	*Full-time Total / Order*		*Part-time Total / Order*		*Staff Total*
Healthcare support							
- Hospitals and care homes	778	133,248	129,296	2,965	64,660	1,005	193,956
- Day care centres	44	3,891	127	0	134	0	261
- E. Open assistance	2,148	0	12,114	430	16,191	177	28,305
- Training centres	330	19,908	2,159	95	1,200	15	3,359
---Subtotal	*3,300*	*157,047*	*143,696*	*3,490*	*82,185*	*1,197*	*225,881*
Youth welfare							
- Homes	778	41,468	11,457	869	5,120	268	16,577
- Day care centre	10,668	729,861	42,691	801	37,561	248	80,525
- E. Open assistance	1,401	0	2,787	16	2,949	19	5,736
- Training centres	130	14,850	784	117	822	50	1,606
--- Subtotal	*12,977*	*785,909*	*57,719*	*1,803*	*46,452*	*585*	*104,444*
Family support							
- Care homes	166	9,062	640	62	681	21	661
- E. Open assistance	1,014	0	1,273	17	1,701	14	2,974
- Training centres	11	247	16	4	47	4	63
--- Subtotal	*1,191*	*9,309*	*1,929*	*83*	*2,429*	*39*	*3,698*
Care for the elderly							
- Care homes	1,812	119,488	39,928	2,545	35,638	1,200	75,566
- Day care centre	101	1,211	147	1	202	5	349
- E.. open assistance	1,036	0	1,290	12	1,105	11	2,395
- Training centres	86	6,079	185	18	312	7	497
--- Subtotal	*3,035*	*126,778*	*41,550*	*2,576*	*37,257*	*1,223*	*78,807*
Support for people with disabilities							
- Care homes	724	38,950	15,912	444	11,841	170	27,753
- Day care centre	624	63,093	10,556	55	5,065	37	15,621
- E. open assistance	373	0	1,568	2	1,281	2	2,849
- Training centres	26	2,113	112	1	79	7	191
--- Subtotal	*1,747*	*103,796*	*28,148*	*502*	*18,266*	*216*	*46,414*
Other social assistance							
- Care homes	560	33,463	1,490	107	1,005	54	2,495
- Day care centre	94	3,295	363	1	174	2	537
- E. Open assistance	3,016	0	6,646	56	4,636	48	11,282
Training centres	143	19,114	1,420	200	821	71	2,241
--- Subtotal	*3,813*	*55,872*	*9,919*	*364*	*6,636*	*175*	*16,555*
Totals	***26,063***	***1,238,711***	***282,961***	***8,818***	***193,225***	***3,435***	***476,186***

Source: http://www.caritas.de/2ver/stat/80603.htm

If we take the figures for the Caritas Hospital Trust and the German Order Hospital Service, both of which stand at 89,000, this represents a 20 per cent increase and may indicate that our figures contain an upward deviation.

If we now take this average 60 per cent share of hospitals' staff costs as the basis for all institutions and extrapolate it to 100 per cent, this results in a total *turnover* for Caritas's institutions of around 50 billion marks (DM 49,833,000,000). This is a minimum figure, as according to internal information from Caritas, this turnover is almost impossible to calculate due to the complex legal structures of the organisations, although it was estimated internally at approximately 150 billion for 1998.

With regard to *fixed assets*, when distinguishing between hospitals and care homes/day centres/open support facilities/training and further education centres, it is primarily the hospitals and care homes (4,818 facilities with 375,319 places) and the nurseries (9,685 facilities with 688,181 places) that are relevant to our analysis. A conservative valuation of these facilities and their property value (see Overview 162) is in the region of 60 billion marks (DM 59,518,000,000). Although this overview covers only 56 per cent of all Caritas facilities, it accounts for 86 per cent of all beds/places. If we add the remaining 14 per cent of places missing from the overview to the total, this results in a *property value* for buildings and facilities in the region of around 70 billion marks (DM 69,207,000,000).

For *land holdings*, we can only rely on approximate figures. If we assume an average land holding of 4,111 square metres for the 4,818 hospitals and care homes alone,[582] this results in an asset value for these land holdings of around 6 billion (DM 5,942,000,000). Including the land holdings, Caritas's real estate and land holdings amount to around 75 billion marks. Thus, in terms of turnover and assets, Caritas is in the region of 125 billion.

Overview 162: Caritas hospitals and care homes, 1999

Type of establishment	*Number*	*Places/beds Total/per household*		*Employees*	Average *value per facility*	*Total (million)*
Healthcare						
General hospitals	383	104,916	274	170,098	50 million	19,150
Inpatient care for infants and children	9	1,408	156	2,557	15 million	135
Orthopaedic Hospital	6	557	93	795	10 million	60
Gynaecology	5	349	70	617	10 million	50
Maternity home	1	110	110	84	8 million	8
Psychiatric/Neurological Hospital	31	6,227	201	6,427	20 million	620

[582] See Table 100 for the distribution of church-owned property among its institutions.

Type of institution	*Number*	*Places/beds Total/ Average per home*		*Staff Employed*	Average *value per facility*	*Total (million)*
Inpatient care for substance abusers/drug	37	1,769	48	997	5 million	185
Other specialist hospitals	50	5,959	119	7,218	20 million	1,000
Geriatric hospital	5	453	91	590	10 million	50
Hospices (inpatient)	39	313	8	375	1 million	39
Therapeutic shared flats	72	1,124	16	429	1 million	72
Health resorts for children and young people	11	1,373	125	964	10 million	111
Children's holiday homes	21	1,676	80	146	5 million	105
Health resorts for adults	22	2,268	103	1,070	15 million	330
Maternity convalescent homes	39	2,912	75	1,055	10 million	390
Recreation centres for adults	47	1,834	39	534	5 million	235
Subtotal	*778*	*133,248*	-	*193,956*	-	*22,540*
Youth welfare						
Residential homes for educational support	329	15,704	48	11,467	5 million	1,645
Children's / Youth Villages	12	1,045	87	731	1 million	12
Youth shared flats	85	1,087	13	583	1 million	85
Youth hostels	143	10,749	75	1,857	4 million	572
Pupil boarding houses	107	7,980	75	1,327	4 million	428
Special needs boarding schools	19	1,480	78	288	4 million	76
Halls of residence for trainees	83	3,423	41	324	3 million	249
Subtotal	*778*	*41,468*	-	*16,577*	-	*3,067*
Family support						
Homes for mothers and children	42	793	19	322	2 million	84
Shared flats for women and children	9	126	14	51	1 million	9
Women's shelters	53	1,047	20	262	2 million	106
Family holiday centres	62	7,096	114	686	10 million	620
Subtotal	*166*	*9,062*	-	*1,321*	-	*819*
Care for the elderly						
Facilities with flats	190	8,134	43	1,564	12 million	2,280
Retirement homes	56	2,632	47	713	9 million	504
AH without care ward	80	2,907	36	1,520	5 million	400
Nursing home with care unit	1,001	86,863	87	59,287	13 million	13,013
Care homes / nursing homes	178	12,272	69	9,743	7 million	1,246
Short-stay care homes	196	1,421	7	1,198	0.4 million	78
AH for members of religious orders	92	4,277	46	1,790	5 million	460
Retirement homes	19	982	52	215	5 million	95
Subtotal	*1,812*	*119,488*	-	*75,566*	-	*18,076*
Support for people with disabilities						
Assistance for people with physical disabilities	35	2,484	71	2,063	4 million	140
Shared accommodation for people with physical disabilities	7	136	19	57	1 million	7
WH for hearing and speech therapy	13	986	76	801	7 million	91
WH Visually impaired and blind	7	393	56	334	4 million	28
Residential home for people with disabilities	304	24,344	80	19,526	8 million	2,432
Shared accommodation for people with learning disabilities	87	1,244	14	724	1 million	87
WH Vocational Training Centres	18	2,871	160	648	5 million	90
Ward for the mentally ill	102	3,507	34	2,261	3 million	306
Shared accommodation for people with mental health issues	112	1,523	14	551	1 million	112
Hospitals for the mentally ill	32	754	24	413	1 million	32
Hospital for the disabled	3	266	89	362	5 million	15
WH for relatives	4	82	21	12	1 million	4

Type of institution	*Number*	*Places/beds Total/ Average per home*		*Staff Employed*	Average *value per facility*	*Total (million)*
Subtotal	*724*	*38,590*	-	*27,753*	-	*3,344*
Other social assistance						
Staff accommodation	171	10,146	59	625	6 million	1,026
Accommodation for students	135	13,030	97	624	5 million	675
Seamen's Home	1	91	91	14	4 million	4
Hostels	27	708	26	127	1 million	27
WH Staff with social disabilities	97	3,981	41	805	1 million	97
Household members with severe social disabilities	76	1,074	14	190	1 million	76
WH for resettlers	29	3,145	108	38	2 million	58
Other	24	1,288	54	72	1 million	24
Subtotal	*560*	*33,463*	-	*2,495*	-	*1,987*
Daycare centres						
Nurseries	*9,685*	*688,181*	*71*	*74,395*	*1 million*	*9,685*
Total	**14,503**	**1,063,500**	**-**	**391,963**	**-**	**59,518**

Source: Caritas statistics, according to: http://www.caritas.de/2ver/stat/...

22.2. Diakonisches Werk

Let us now take a look at the denominational competition. In 1957, the 'Innere Mission', founded in 1848 by Johann Hinrich Wichern, and the 'Evangelische Hilfswerk', founded in 1945 by Eugen Gerstenmaier, merged to form: "The Diakonisches Werk of the Protstant Church in Germany e.V." Organised into regional and 88 (!) specialist associations, it is "the focal point for all diaconal and popular missionary work of German Protestant Christianity".[583]

However, as we have seen, this excludes the Protestant housing associations, for membership of the Diakonisches Werk is something akin to a Protestant-Lutheran-theological 'certificate of no objection'. Economically risky ventures (housing construction) or anything that looks too much like money-making (banks) are not admitted.

Although 'merely' an association (*Diakonisches Werk e.V.*), it is endowed with the special rights of an organisation with protection of its ideological orientation and is regarded – due to its institutional links with the Protestant Church – as a religious community with tax privileges. As a result, the Diakonisches Werk – just like Caritas – enjoys a special independence in the management of its own affairs, guaranteed by the Basic Law, compared to other welfare organisations.

In the preceding chapters, we have already examined a whole range of its members (the Christoffel Mission for the Blind, the Association of Christian Hotels, the YMCA, etc.) and will now focus solely on the close

[583] Martens, *How Rich Is the Church?*, p. 85.

of what is generally understood by 'Diakonie': the welfare and charitable institutions of the Protestant sector, i.e. hospitals, care homes and social welfare institutions.

In this sector, there were a total of 17,780 institutions in 1978 with 713,038 beds/places and 215,000 staff members[584] . In 1998, there were 30,139 institutions with 1,078,207 beds/places and 419,438 employees. What is striking about these figures are the changes. Whilst the number of institutions rose by 70% and the number of beds/places by 51%, the number of employees increased by 95%.

In 1966, the 'replacement value' of fixed assets was stated as 9.4 billion, and the spokesperson for economic affairs at the Diakonisches Werk's head office proudly declared at the time: "With its facilities, the Protestant Diakonie has assets equivalent to those of the BASF Group, and thus generates a 'turnover' comparable to that achieved by the Bosch Group or the Karstadt department stores."[585] Today, such statements would no longer hold true, as corporate groups have become 'global players' reporting entirely different (international) turnover figures.

In line with the detailed explanations provided in the calculations for Caritas, the turnover and fixed assets of the Diakonie are now calculated.

For the 419,438 employees, the total wage and salary bill stands at 26 billion (DM 26,336,512,000) and, accordingly, turnover is in the region of 42 billion (DM 41,804,000,000).

The property value of the facilities (see Overview 163) amounts to 40 billion for the residential sector and the nurseries alone, and, on the basis that this covers 84 per cent of all beds/places, to a total of around 47 billion marks (DM 47,345,000,000).

Since a figure of around 7 billion can be reasonably assumed for the land holdings of the residential facilities,[586] the Diakonie's turnover and assets amount to a total of 96 billion.

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[584] Alfred Jäger, *Diakonie as a Christian Enterprise.* Gütersloh: Gütersloher Verlagshaus, 1986, p. 155.

[585] Martens, *How Rich Is the Church?*, p. 86.

[586] For 5,414 residential facilities (excluding the additional 8,953 nurseries), this amounts to 22.257 million square metres x 300 = 6.677 billion marks.

Overview 163: Hospitals and care homes of the Diakonisches Werk, 1998

Type of facility	Number	Total places/beds / Average per establishment		Employees	Average value of the facility	Total value
Healthcare						
General hospitals	203	53,229	262	88,870	50 million	10,150
Rehabilitation clinics	25	2,496	100	3,139	12 million	180
Children's hospitals	8	1,291	161	1,877	15 million	120
Orthopaedic hospitals	13	1,955	150	2,409	15 million	195
Gynaecology/Obstetrics Hospital	1	81	81	111	10 million	10
Psychiatry / Neurology	24	3,710	155	3,078	15 million	360
Addiction clinics	30	1,902	63	917	8 million	240
Statistical institutions for drug addicts	5	141	28	80	2 million	10
Hospital for chronically ill patients/geriatrics	27	3,016	112	3,293	10 million	270
Other specialist hospitals	28	3,442	123	4,704	15 million	420
Sanatoriums and health resorts	5	340	68	160	5 million	25
Employees in central D.	-	-	-	7,921	-	-
Subtotal	*369*	*71,063*	-	*116,559*	-	*11,980*
Youth welfare						
Homes for mothers and children	25	660	26	292	2 million	50
Nurseries	1	41	41	9	1 million	1
Homes for children and young people	229	9,495	41	6,920	2 million	458
Special educational homes	69	3,141	46	2,621	2 million	138
Children's and youth villages	2	154	77	134	1 million	2
Shared accommodation	44	597	14	223	1 million	44
Assisted living	149	1,511	10	567	2 million	298
Outpatient groups	119	2,471	21	1,573	3 million	357
Boarding schools	44	2,855	65	1,632	5 million	220
Youth care homes	106	3,417	32	2,395	2 million	212
Residential homes for young people	82	6,025	73	1,223	3 million	246
Boarding school for resettled children	4	528	132	122	4 million	16
Therapeutic facilities for young people	12	132	11	89	1 million	12
Shared flats for young people	7	98	14	32	1 million	7
Leisure centres	52	3,228	62	152	2 million	104
Health resorts for young people	27	2,634	98	575	4 million	108
Hostels	7	400	57	85	2 million	14
Employees in central D.	-	-	-	1,441	-	-
Subtotal	*979*	*37,387*	-	*20,085*	-	*2,287*
Family support						
Maternity convalescent homes	30	2,029	68	711	3 million	90
Recreation and convalescent homes	44	2,898	66	505	3 million	132
Sister convalescent homes	14	474	34	244	3 million	42
Family holiday centres	68	5,133	75	431	8 million	544
Hostels – " -	1	30	30	5	0.5 million	0.5
Leisure centres	111	5,900	53	731	0.5 million	55.5
Women's shelters	41	724	18	196	2 million	82
Short-term care facilities	5	38	8	23	0.4 million	2
Hospices	3	37	19	44	0.7 million	2
Central services staff	-	-	-	180	-	-
Subtotal	*317*	*17,263*		*3,070*		*950*

Type of institution	Num-ber	Places/beds Total/ Average per facility		Employ-ment staff	Average value of the facility	Total Value
Care for the elderly						
Facilities with housing for the elderly	267	11,225	42	863	12 million	3,204
Care homes	110	7,317	67	889	5.5 million	550
Care homes	46	4,798	104	1,506	13 million	598
Retirement homes without nursing care	88	4,199	48	1,571	3 million	264
Care homes	870	76,268	88	43,789	3 million	2,610
Assisted living	50	1,055	21	86	2 million	100
Care homes for the elderly	425	38,226	90	24.46	8 million	3,400
Gerontopsychiatric care homes	21	1,613	77	1,155	3 million	63
Retirement homes for nurses	87	3,576	41	520	2 million	174
Short-term care facilities	83	845	10	520	2 million	166
Homes for educational institutions	2	157	79	58	1.5 million	3
Employees in central D.	-	-	-	5,221	-	-
Subtotal	*2,049*	*149,279*	-	*81,180*	-	*11,132*
Support for people with disabilities and those with mental health issues						
Care homes for people with mental health conditions	138	5,466	40	2,803	3 million	414
Residential groups	17	280	16	124	0.5 million	9
Shared accommodation	104	2,085	20	300	2 million	208
Transitional homes	30	866	29	450	2 million	60
Institutions for people with multiple disabilities	128	19,533	153	15,871	5 million	640
Residential homes for people with multiple disabilities	156	8,218	53	4,033	3 million	468
Residential homes for people with intellectual disabilities	231	11,469	50	7,006	3 million	693
Residential care for people with intellectual disabilities	71	2,661	37	1,836	2 million	142
Shared accommodation for people with intellectual disabilities	77	1,157	15	433	1 million	77
Homes for the physically disabled	30	1,352	45	933	3 million	90
Wheelchair users	27	1,278	47	1,542	4 million	108
Outpatient groups	12	97	8	76	1 million	12
Shared flats for people with physical disabilities	17	356	21	256	2 million	34
Homes for hearing and speech disorders	12	1,239	103	590	4 million	48
Homes for the blind	2	151	76	36	2 million	4
Short-term care facilities	5	53	11	72	1 million	5
Boarding schools for vocational training	29	5,730	198	1,435	7 million	203
Recreation centres for disabled people	11	393	36	58	2 million	22
Employees in central D.	-	-	-	2,881	-	
Subtotal	*1,097*	*62,384*	-	*40,795*	-	*3,237*
People in vulnerable circumstances						
Homes for the homeless	108	5,339	49	1,286	2 million	216
Shared flats for homeless people	34	473	14	104	1 million	34
Hostels for –"–	36	1,397	39	264	1 million	36
–"– for ex-prisoners	31	526	17	148	1 million	31
Aftercare facilities for people with addictions	54	1,047	19	401	1.5 million	81
Transitional care for substance abusers	64	714	11	232	1 million	64
Transitional housing for refugees	25	2,784	111	283	2 million	50
Transitional housing for resettlers	27	2,286	85	115	1 million	27
WH foreign workers	2	110	55	4	1 million	2
Seamen's Mission hostels	7	411	59	62	2 million	14
Overnight stays by inland waterway skippers	1	2	2	2	-	-
Overnight Station Mission	4	44	11	16	0.5 million	2

Type of institution	Num-ber	Places/beds Total/ Average per facility		Employ-ment staff	Average value of the facility	Total Value
Staff in central D.	-	-	-	180	-	
Subtotal	*393*	*15,133*	-	*3,097*	-	*557*
Other care homes and residential facilities						
Boarding schools run by the Training Centre	49	2,163	44	177	3 million	147
Student halls of residence	52	3,308	64	131	3 million	156
Housing for working people	54	1,939	36	62	3 million	162
WH of the VHS and Education Department	33	1,385	42	324	3 million	99
Hospices, hotels, etc.	22	1,086	49	257	5 million	110
Employees in central D.	-	-	-	180	-	-
Subtotal	*210*	*9,881*	-	*1,131*	-	*674*
Total public institutions	**5,414**	**362,930**	**-**	**265,917**		**30,817**
Nurseries / day-care centres	8,953	540,837	60	61,893	1 million	8,953
Total	**14,367**	**903,767**	**-**	**327,810**	**-**	**39,770**

Source: Diakonisches Werk der EKD: Facility Statistics – as at 1 January 1998 (=Statistical Information 1/1999), Stuttgart, 1999, pp. 7–21.
Conversion to average beds/places and valuation rates/assets: own estimates and calculations

22.3. Dual financing

In addition to operating costs (turnover), the construction, maintenance and modernisation of hospitals are predominantly financed from state funds. Until 1997, the principle of *dual financing* applied, i.e. the financing of operating costs and investment costs was kept separate. The federal and state governments covered investment costs and the costs of replacing fixed assets on the basis of applications or lump-sum grants. Since then, various alternative financing systems have been trialled, e.g. the financing of maintenance costs by health insurance funds.

As the figures can only be broken down to a limited extent by individual associations/providers, the volume of state measures is therefore illustrated using one federal state as an example.

Overview 164: North Rhine-Westphalia (1998)
Expenditure on independent non-profit hospitals

- Replacement of short-term fixed assets	400,000,000
- Allocations for current purposes	25,274,000
Total	*425,274,000*

Source: NRW Budget, 1998, Section 07 070, p. 238

The breakdown of total hospital construction projects by funding body once again highlights the 'market-dominating' position of the independent welfare organisations, which receive 76 per cent of all state funding for these construction projects in North Rhine-Westphalia.

Overview 165: North Rhine-Westphalia: Hospital construction projects (1985–1996)

Construction projects for:	Millions	Proportion
of state hospitals	103.6	4.0%
State hospitals	464.0	18.1%
Miners' hospitals	51.2	2.0%
Hospitals run by independent welfare organisations	1,945.6	75.9%
Total	*2,564.4*	*100.0%*

Source: NRW Budget, 1998, Section 07 070, Appendix 4

As these expenditure figures cover the total of all construction projects over an eleven-year period, the hospitals run by independent welfare organisations receive an average of around DM 176,873,000 annually for construction projects. Together with the short-term expenditure mentioned earlier, this amounts to around 602 million marks in state funding per year. As, according to market positioning, around two-thirds of these hospitals are denominational institutions, it can be assumed that Diakonie and Caritas receive around 400 million marks annually in North Rhine-Westphalia alone, *in addition* to their operating costs.

If, for the purpose of extrapolating this investment aid, we assume that the federal state of North Rhine-Westphalia, with its 18 million inhabitants, accounts for 22 per cent of the federal population, this would amount to around DM 2 billion spent annually by the federal states on construction work at denominational hospitals.

However, this type of extrapolation misses the mark. North Rhine-Westphalia – which should come as no surprise, given that it already makes the second-highest per capita payments to the churches – also has a strikingly different mix of independent non-profit hospital operators. On average across Germany, 40 per cent of general hospitals are run by independent welfare organisations; in North Rhine-Westphalia, the figure is 76 per cent. Of the total of 823 general hospitals in Germany run by independent non-profit organisations, 203 belong to the Diakonisches Werk/EKD and 383 to Caritas/the Catholic Church, making a total of 586 institutions or 71 per cent (Diakonisches Werk/EKD 24.7%, Caritas/Catholic Church 46.5%).

The 303 general hospitals in North Rhine-Westphalia account for no less than 37 per cent of all 823 hospitals run by independent non-profit organisations in Germany.

This is a further indication that in North Rhine-Westphalia there is a significantly closer relationship between the state and the churches and their organisations than, for example, in Bavaria.

Overview 166: General Hospitals / Federal States / Sponsors (1998)

Federal state	Number	State	%	Private	%	Private	%
Baden-Württemberg	291	130	*45%*	73	*25%*	88	*30%*
Bavaria	376	210	*56%*	59	*16%*	107	*28%*
Berlin	67	16	*24%*	32	*48%*	19	*28%*
Brandenburg.	45	26	*58%*	19	*42%*	.	.
Bremen	8	5	*62%*	.	.	3	*38%*
Hamburg	35	10	*29%*	21	*60%*	4	*11%*
Hesse	164	50	*30%*	75	*46%*	39	*24%*
Mecklenburg-Western Pomerania	28	16	*57%*	12	*43%*	.	.
Lower Saxony	192	73	*38%*	78	*41%*	41	*21%*
NRW	398	70	*18%*	303	*76%*	25	*6%*
Rhineland-Palatinate	102	22	*22%*	66	*65%*	14	*14%*
Saarland	11	11	*100%*	.	.	-	-
Saxony	91	51	*56%*	19	*21%*	21	*23%*
Saxony-Anhalt	54	35	*65%*	16	*30%*	3	*5%*
Schleswig-Holstein	82	32	*39%*	19	*23%*	31	*38%*
Thuringia	52	31	*60%*	10	*19%*	11	*21%*
(n/a)	34	0	*0%*	21	*62%*	13	*38%*
Total	2,030	788	*39%*	823	*40%*	419	*21%*

Source: Federal Statistical Office (2000): Specialist Series 12, Series 6.1. 'Basic data on hospitals and preventive care or rehabilitation facilities, 1998', pp. 30–31.

Extrapolated to the whole of Germany[587], the subsidies for construction projects at denominational hospitals amount to 1.2 billion (DM 1,155,190,000), of which the Catholic sector receives 65 per cent (DM 750,874,000) and the Protestant sector 35 per cent (DM 404,316,000). Furthermore, by granting tax exemption to the hospitals run by welfare organisations (in 2000), the state forgoes 8.15 billion in tax revenue.[588] Based on the two-thirds assumption, around 5.4 billion of this would directly benefit the denominational institutions.

If one considers the turnover in the social and charitable sector of the denominational sectors, which amounts to around 270 billion according to internal estimates by Caritas, then the DM 1.7 billion in church tax would amount to just 0.6 per cent for a sector whose activities serve not only to legitimise the church tax in society.

Should the churches not, therefore – just as is demanded of political parties – withdraw from areas where a denominational orientation has no place? A hospital is a medical institution, not a mission station.

[587] 602 million in North Rhine-Westphalia, based on a 37 per cent share of independent providers multiplied by a 71 per cent share of denominational providers.

[588] German Bundestag: *Printed Paper 14/1500* (17th Subsidy Report), p. 213, serial no. 51, noting the statement that the figures relate only to hospitals.

23. Church staff

Full-time staff / Volunteers / Community service workers

As special bodies under public law (and as 'institutions with a specific orientation'), religious societies have a great deal of freedom in determining the internal conditions of their organisations independently. However, this problematic topic (staff representation, pay, freedom of religion, etc.) cannot be explored in depth here.

23.1. Full-time staff

"The following are not considered employees within the meaning of this (Works Constitution) Act: persons whose employment is not primarily for the purpose of earning a living, but is predominantly motivated by charitable or religious considerations."[589] (This almost sounds as if the staff are not working there to earn a living, but merely to pray.)

"The duties of church staff are assigned to the parish office; they are 'auxiliary services' or 'support services' such as, for example, the roles of: sexton, organist, gravedigger, youth worker, parish nurse, secretary, etc. [...] In the person of the pastor (as chair of the church council), the 'mission of proclamation' (spiritual work), the 'mission of governance' (parish leadership) and 'the function of the superior' (supervisory and professional oversight) are intertwined."[590]

A concentration of power that is virtually unparalleled in German society. Once the pastor has completed his two-year probationary period and is confirmed by the church council, he can, within the framework of the applicable laws, pretty much do as he pleases.

How many employees are affected by these working conditions? However, no official figures are available on the number of people in Germany whose employer is the Church.

The latest statistics from the Protestant Church in Germany date from 1992 and cite 208,389 full-time employees (70% women = 146,622 female employees). However, these figures are not broken down by full-time and part-time positions, and since 1992 (back- retrospective church tax revenue) there have

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[589] *Works Constitution Act* (of 15 January 1972), § 5, 2, 3

[590] Protestant Academy of Northern Elbe: *The Church as Employer – Church Employees*, proceedings of a conference held from 4–6 July 1977 in Bad Segeberg, p. 2.

been significant developments in this very area – presumably in the form of 'job cuts'.

The number of employees in the Catholic 'constitutional church', by contrast, is completely unknown and, as a speaker from the Bishops' Conference put it, 'we are not in the least bit interested in it. It is just a dead statistic.' His assumption was that the number would probably be the same as in the EKD. Further enquiries revealed an estimate from the Bishops' Conference of around 190,000 employees within the 'constitutional' Catholic Church.

This lack of knowledge is, however, more than surprising, for on what basis does the Church as an employer – given the repeatedly emphasised high personnel costs – intend to base its financial planning if it does not know the fairly precise number of employees?

So, if we stick with the 'chairmen of the executive boards' as a first step, the number of clergy, i.e. theologians and priests of both denominations, is relatively clear, as they are counted precisely every year.

Overview 167: Number of clergy of both denominations

	Protestant Church		*Catholic Church*	
Year	*Parishes*	*Theologians*	*Parishes*	*Priests*)*
1953	9,124	9,766	8,670	24,209
1954	9,129	10,026	8,709	24,291
1966	10,404	14,412	9,896	26,437
1970	10,707	14,762	10,252	26,468
1976	10,637	15,378	12,430	24,909
1982	10,662	16,118	12,748	23,842
1994	18,220	24,197	13,321	12,383
1995	18,243	24,798	13,328	10,934
1996	17,991	24,725	13,329	11,108
1997	18,145	24,814	13,324	10,934
1998	18,145	24,977	13,253	11,063

Sources: Statistical Yearbooks of the Federal Republic of Germany
Except: Catholic priests 1991–1999 (http://www.kath.de/magazin/wegbereiter)
**) 1957–1982: Total of active diocesan priests and active religious priests. 1999 figures: 10,668 plus 3,885 = 14,573. In the total number of Catholic priests, the ratio remains consistent at 75:25 diocesan/religious priests.*
1991–1998: Only active diocesan priests. To this figure, if one wishes, one could add around 4,100 'emeritus' (retired) priests

Over the years, however, the number of staff with theological qualifications in the two denominational sectors has reversed exactly. Whereas in 1954 the ratio of Protestant theologians to Catholic priests was still 10,026 to 24,291, by

1998 to 24,977 to 11,063 (or 14,573). In the Catholic sector, the figures vary depending on whether secular and religious priests are counted together or whether only secular/diocesan priests are counted. If only diocesan priests are counted, there were exactly 10,668 active priests in 1999 – and if one extrapolates the annual 'loss rate' of an average of 269 priests linearly, there will be hardly any diocesan priests left in Germany in 40 years' time, and the bishops will then be left pretty much on their own.

The situation in the Protestant sector is diametrically different. Whilst in 1969 a third of expenditure in the Protestant sector was on personnel costs, this proportion has risen to more than two-thirds over the last twenty years (Roman Catholic Church: 60 per cent; Protestant churches in Germany 70–80 per cent), as a parish post normally entails four further full-time posts. Between 1982 and 1998, the number of theologians increased by 8,859. This represents (at current costs) an increase of 1.2 billion DM for the theologians and 3.1 billion for the staff assigned to the pastors, i.e. additional expenditure of 4.3 billion DM per year. Staff with theological qualifications are, after all, only the smallest proportion of those employed in church services, and it would therefore be all the more crucial to know the number of other staff members.

According to their own estimates, the total number of staff employed by the two church employers in 1969 was 120,000 people[591] – which at the time was 15,000 more than in all the German plants of the VW Group combined. Today, as described above, there are around 400,000 employees.

For the Protestant Church, the total number of full-time staff for 1996 is given as 'more than 570,000 people'[592] and for 1999: approx. 200,000 in the organised Protestant Church and approx. 400,000 in the Diakonie. In the Catholic Church, including Caritas, approximately 600,000 people are employed.[593] Since Caritas employs 476,000 staff, this would leave only 124,000 staff 'left over' for the organised Catholic Church.

If we stick to this figure (and not to the estimate from the Bishops' Conference), there are 208,000 in the Protestant established church and 124,000 in the Catholic Church, making a total of 322,000 employees within the 'constitutional churches'.

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[591] Estimate by the President of the Protestant Church in Germany for the entire church sector. Cf. Martens, *How Rich Is the Church?*, p. 67.

[592] Besier, *Konzern Kirche*, p. 100.

[593] See EKD Texts: *Church Tax*, at: http://www.ekd.de

Provided that all these official church employees are in fact paid from church budgets,[594] this would amount to a total wage and salary bill of around 21 billion marks.

In reality, however, not all full-time employees of the churches (and their organisations) are paid by the church.

If one roughly adds up the staff in the various sectors and allocates the respective sums paid (e.g. state grants for the remuneration of clergy and state subsidies for church staff in religious education, at charitable organisations, etc.) to the total number of staff[595] , the surprising result emerges that only 16 per cent of full-time church employees are actually paid by the church.

Overview 168: Full-time church employees

Employer	*Staff*	*Of which paid*			*Own funds*
		Church	*State*	*Public*	
Church	322,000	217,000	105,000		
Diakon. Werk	419,438	4,000	59,500	355,938	
Caritas *)	463,933	5,000	43,200	415,733	
Religious orders	38,592		200	12,253	26,139
German Order	5,500			5,500	
Mission**)	80,000	3,000	5,900		71,100
Associations	12,700			12,700	
Companies	12,000				12,000
Total	*1,354,163*	*229,000*	*213,800*	*802,124*	*109,239*
Total %	*100%*	*16.7%*	*15,8%*	*59.2%*	*8.1%*

) excluding members of religious orders* *) according to figures from the Mission Travel Service*

The Church pays these employees around 13.8 billion marks in salaries. As church tax revenue in 1999 amounted to around 17 billion, these employees are therefore paid from church tax revenue and there was no need to draw on any further financial assets. As the churches' remaining income (from inter-

[594] This issue has already been addressed in the chapter *on church tax reform / staff costs* for the Archdiocese of Cologne (Overview 20).

[595] Based on figures for academics (DM 100,000) and other staff (DM 62,700), the number of state-funded staff in the individual sectors is as follows:
Church: Daycare centres: 39,537, Job creation schemes: 4,753, Secular orders: 1,400, Institutional pastoral care: 170, Overseas work: 600, Cultural support: 350, Schools: 38,530, military chaplaincy: 760, religious education: 4,000, state grants: 12,900, education, research, libraries: 2,000. Total = 105,000;
Diakonia: Daycare centres: 19,767, Community service workers: 22,317, Job creation schemes: 1,953, youth facilities: 4,904, YMCA: 14,558. Total = approx. 63,500;
Caritas: Daycare centres: 19,767, Community service workers: 20,571, Job creation schemes: 1,953, youth facilities: 5,893. Total = around 48,200.

est, fees are in the same order of magnitude, the church tax could in principle be abolished entirely without a single employee having to be made redundant, whilst still leaving around three billion available for construction projects, etc.

Even though, in formal legal terms, there is no longer a 'state church' in Germany, from a financial perspective – in terms of paying their staff – the two major religious communities are 76 per cent publicly and state-funded. This is a problematic fact for a civic self-image that derives its self-confidence from the fact that it finances its own expenditure through its own efforts and is not a burden on anyone else.

Two examples will illustrate the cost-intensive 'apparatus' that the established churches have now built up.

If we extrapolate the staff figures to the parishes, there are eleven staff members per Protestant parish (208,000/18,100) and nine staff members per Catholic parish (124,000/13,239). As the majority of kindergartens are run by Caritas and the Diakonisches Werk, there are normally only five staff members per parish (priest/pastor, deacon/pastoral assistant, verger, musician, parish secretary [1/2] and cleaner [1/2]).

This would mean that in the Protestant sector, around 90,500 staff work in the parishes and 117,500 are employed in the higher-level administrations, church districts, regional church offices, academies, etc. A ratio of 44 to 56. In the Catholic sector, on this basis, 66,000 staff would work in the parishes and 58,000 in the deaneries, diocesan administrations, academies, conference centres, etc. A ratio of 53 to 47. This 'bloated bureaucracy' of the official church above the parishes is also illustrated by the fact that for every Protestant pastor(in) (183,000/25,000) seven additional staff members are employed, whereas for the work of a Catholic priest (113,000/11,000) ten additional staff members are employed.

In this respect, the Catholic Church in particular exceeds, for example, the ratio of the US Army in Vietnam, where nine additional soldiers were required for every 'frontline soldier': in supply, logistics, etc. Any business group would also be in crisis if the ratio between field staff and office staff, or between the production side and administration, were of this magnitude.

And in addition to these full-time staff, the denominational sectors would, by their own admission, not be able to function effectively were it not for a multiple of unpaid volunteers.

23.2. Volunteers

According to official Catholic estimates, around one million volunteers are active in parishes and associations. What does this mean in financial terms, given that these unpaid volunteers provide services of monetary value?

"According to calculations based on verifiable data, the charitable activities of the Catholic Church alone relieve the state of more than 10 billion DM through its own contributions to the ongoing maintenance of facilities, for investments and for staff training, as well as through the valuation of the voluntary, i.e. unpaid, work of volunteers."[596]

If we assume the Church's own contribution to be ten per cent (state funding 20 to almost 100 per cent, with social security providers, health insurance funds and long-term care insurers paying the 'lion's share'), then the Catholic Church itself pays less than one billion DM for its social institutions and, valuing the monetary contribution of its volunteers at more than 9 billion DM as 'God's reward', this amounts to a saving of around 9,200 DM per volunteer per year.

The Diakonisches Werk of the Protestant Church reports that there were approximately 300,000 to 400,000 volunteers/staff members in 1998[597] and the EKD, which has not counted its own staff since 1992, gives the exact figure of 937,543 volunteers within the 'constitutional church' for 1998 [598], making a total of around 1.3 million volunteers in the Protestant sector. On the same basis as in the Catholic sector (a saving of DM 9,200 per volunteer), this would amount to DM 12 billion.

The monetary value of the volunteers' work thus amounts to around DM 21 billion. A sum that is around four billion higher than the total revenue from church tax.

[596] http://www.dbk.de/kirche/in_kkd05.html
[597] Diakonisches Werk: *Statistical Information 1/1999*, p. 4.
[598] http://www.ekd.de/statistik

23.3. Civilian service workers

Of the 121,795 people performing community service in Germany (in April 2001), 22,317 (18.3%) work in institutions of the Diakonisches Werk and 20,571 (16.9%) in institutions run by the German Caritas Association.[599]

A person performing civilian service receives the following payments (excluding individual mobility allowances, rent and travel expenses):

Overview 169: Costs of a person performing civilian service

Pay:	1st – 3rd month of service: DM 435 each	=	DM	1,305
	4th – 6th month of service: DM 480 each	=	DM	1,440
	7th – 11th month of service: DM 525 each	=	DM	2,625
Meal allowance per month DM 351 (x 11)		=	DM	3,861
Workwear per month DM 69 (x 11)		=	DM	759
Christmas bonus		=	DM	375
Severance pay		=	DM	1,500
Total		=	*DM*	*11,865*

Source: Federal Office for Civilian Service: "What does a civilian service worker cost?" Totals calculated by the author

For the 42,888 employees in the two denominational organisations, DM 508,866,120 is paid from state funds.

In addition, the civil service agencies receive "a pro-rata lump sum of DM 12.23 per calendar day per civil servant to cover the expenses incurred by the deployment of civil servants."[600]

In total, state payments to the two denominational organisations amount to DM 684,063,600. Of this, Caritas receives DM 328,350,240 (= 48%), and the Diakonisches Werk DM 355,713,360 (= 52%).

However, these latter lump-sum payments to the civil service agencies – i.e. the institutions where those performing civil service are employed – are incomprehensible, as it can be assumed that the institutions save approximately DM 2,500 per month in wages per person performing civil service, which would otherwise have to be paid for a standard employee (DM 3,500 gross per month).

Thus, the monetary value of the work performed by those performing civilian service in the church sector, which is saved by the denominational institutions through these employees, amounts to around 1.3 billion marks (DM 1,286,640,000) per year.

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[599] Federal Office for Civilian Service: *Briefing paper on the situation in the Civilian Service*, 20 April 2001.

[600] Federal Office for Civilian Service: *What does a civilian service worker cost?*

24. Other church assets

From 1953 to 1999, the Protestant Church in Germany collected a total of 188 billion marks from church payroll tax alone. (More precisely: DM 187,614,940,000) 'Other income' is estimated to be of a similar magnitude, amounting to a total of DM 375 billion. As the revenue of the Catholic dioceses is likely to be of a similar magnitude, it can be assumed that the two major official church organisations in Germany recorded a total of around DM 750 billion in revenue between 1953 and 1999.

As this revenue was not spent solely on salaries and altar candles, we shall now consider acquisitions that have not yet been addressed in the preceding chapters. The extent to which the churches invested parts of this revenue in property etc. has already been discussed (see the chapter *on property* and following). Let us now consider other items not yet mentioned in the calculation of fixed assets, in order to compile the missing data for a comprehensive overview.

24.1. Motor vehicles

Until 1962, the Statistical Yearbooks of the Federal Republic of Germany listed 'Churches, ecclesiastical institutions' under 'Stock of motor vehicles and motor vehicle trailers' in the breakdown by 'Trade and occupation of the owner'.

Overview 170: Motor vehicles owned by the Church

	Number of vehicles		
Type of motor vehicle	*1958*	*1959*	*1962*
Motorcycles	5,236	3,851	2,121
Passenger cars	16,372	18,511	25,479
Estate cars	257	305	498
Buses	6	5	10
Lorries	234	217	243
Tractors	319	309	301
Special-purpose vehicles	33	35	46
Total	*22,457*	*23,233*	*28,698*

Source: Statistical Yearbooks of the Federal Republic of Germany, Chapter XV. Transport, C. Road Transport, Number 3.

In 1963, the classification criteria for the economic classification of vehicle owners were amended such that, since then, churches and their institutions have no longer been recorded. The new category "non-profit organisations

without commercial status' cannot, on the basis of the figures it contains, be a continuation of the previous church vehicles.

We must therefore refer to the data up to 1962.
In relation to the total stock of motor vehicles in the then Federal Republic, the churches were registered as owners of 0.35/0.33/0.30 per cent of the total stock. As no further figures are now available, we are once again entering uncertain territory.

Given the plausibility that the motorisation of church staff and services progressed in a similar manner to that of society as a whole – there was no shortage of funds, and even the parish nurse no longer travels on foot or by motorbike – we shall stick to a percentage of 0.3 per cent of the total fleet. In 1998, 49,586,488 motor vehicles were registered in Germany[601], of which 0.3 per cent amounts to 148,760 motor vehicles. Based on the assumption that the average selling price on the used car market is DM 10,000, the market value of the estimated vehicle fleet of the churches and their organisations is estimated at around DM 1,487,594,600, or roughly 1.5 billion.

24.2. Inventories

For other areas, it would be appropriate to value corresponding acquisitions, e.g. inventory lists of church administrations. With around 31,000 parishes with a pastor, deacon, verger and parish secretary, there are likely to be 124,000 desks and chairs, with further numbers in the district church offices/deaneries and regional and diocesan administrations, so that a figure of
150,000 can be assumed. As a desk and chair together have a second-hand value of around DM 100, that would amount to roughly 15 million items in the offices.

How many plates, cutlery sets and chairs are there in the childcare centres, how many shelves in the libraries, how much school furniture, and so on and so forth.

However, we do not wish to end on a note of 'nit-picking' here. Let us leave it at that.

[601] See *Statistical Yearbook 1999*, p. 305.

25. Summary

"Church property is divided into *res sacrae*, items intended for the purposes of worship, and *res ecclesiaticae*, objects intended either for the maintenance of church ministers (beneficial property) or for the upkeep of church buildings and the covering of the external costs of worship. The disposal of items of church property is restricted or made difficult by prohibitions, whilst the acquisition of church property is restricted by the state."[602] Well, that was in 1924.

In the days of 'ancient' Rome – that is, at the time when the Roman Church was founded – church property (= things consecrated to the deity) was regarded as belonging to divine law (res divini juris) and as being excluded from civil legal transactions (res extra commercium).[603] But let us not be daunted by this, for: 'The purpose of all church property makes it appear as a unity (community of property despite the diversity of the specific holders of the property; cf. cc. 1271, 1273).'[604]

We shall therefore now simply summarise the respective interim findings from the individual chapters in the following overview to highlight precisely this unity.

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[602] *Meyers Lexikon*, Seventh Edition, 1924, Volume Six, col. 1344.
[603] *Meyers Lexikon*, Seventh Edition, 1924, Volume Six, col. 1344.
[604] Walter Kasper (ed.): *Encyclopaedia of Theology and the Church*. Freiburg: Herder, Volume 6, 1997, p. 80.

Revenue and assets of the two denominational sectors in Germany (in thousands of German marks).

From the chapter	*Revenue*	*State subsidies*	*Assets*	*Monetary value*
Church taxes		**16,944,449**		
- Payroll church tax		*16,893,156*		
Other church taxes, church contributions		*51,293*		.
Other revenue of the dioceses / regional churches (excluding state subsidies, 1993)				
		11,000,000		
- of which interest		*5,100,000*		.
Budgets of the parishes (excluding church	33,965,258	:hurch taxes and kindergar-		1999)
		:ens,		.
State grants (2000)		**16,582,224**		
of which: State grants from federal states		*811,791*		
Payments from local authorities		*97,856*		
Building costs		*43,380*		
Religious education		*2,684,995*		
Denominational schools		*3,803,064*		
Daycare centres		*4,957,610*		
Cultural activities		*22,200*		
Cultural work abroad		*6,070*		
Youth welfare		*676,991*		
Military chaplaincy		*63,310*		
Police pastoral care / BGS		*684*		
Prison chaplaincy		*17,132*		
Heritage conservation		*77,451*		
Building grants		*50,000*		
Hospital construction		*1,155,190*		
Church congresses		*8,500*		
Court fines (S)		*20,000*		
Job creation measures (S)		*2,086,000*		.
State revenue foregone:		**20,087,902**		
of which: collection of payroll church tax		*2,000,000*		
Church tax = special expenditure		*6,800,000*		
Tax exemption for churches		*5,264,902*		
Tax deductibility: school fees		*23,000*		
- from donations		*600,000*		
Tax exemption for Conf. KH		*5,400,000*		.
Training of young talent		**1,218,663**		
of which: universities, universities of applied sciences		*559,509*		
Student support organisations		*14,886*		
German Research Foundation		*8,688*		.
Donations and collections:				
Aid/mission organisations				
- Donations	1,141,226			
- Interest income / reserves	49,085	367,104	1,244,981	
- Government grants	799,000			
Other donations (S)				
Charity stamps	22,800			
Lotteries (2000)	189,887			.
Media companies:				
Film	68,000			
Magazines / Newspapers	285,000			
Publishers	1,288,000		600,000	
Libraries		14,340	92,000	.

From the chapter	*Revenue*	*Government grants*	*Wealth*	*Monetary value*
Real estate				
Real estate	139,042		279,990,330	
Buildings			129,301,000	
Ground rent	1,044,913			
Protestant Housing Association	146,575		5,396,891	
Catholic Housing Associations	971,046		29,237,500	
Church banks:			**71,975,038**	
of which: cash deposits			*41,936,382*	
Banks' equity			*1,982,347*	
Banks' tangible assets			*1,000,000*	
Banks' equity investments			*56,309*	
Fund assets (2001)			*7,000,000*	
Employee fund (estimate)			*20,000,000*	
Other cash deposits (estimate)			100,000,000	
Insurance: Investments			48,752,888	
Beer	90,072			
Wine	60,490			
Retail companies	59,685	778		
Tourism (S)	2,000,000			
Family holiday resorts	125,000		434,200	
Hotels (estimate)	100,000			
Catering	40,000			
Charities:				
Church-related	79,896,333		104,416,750	
Heritage conservation	11,000			
Public foundations		21,300		
Religious orders:				
Religious orders	854,588		71,076,800	
Secular orders				
- Teutonic Order	490,000		782,000	
- Order of St John	1,633,513	51,730	755,000	
- Order of Malta	910,851	38,848	310,000	
- Order of the Holy Sepulchre	2,000			
Denominational associations:				
Opus Dei			80,000	
Kolping Society	30,000		698,000	
YMCA	912,800			
Art, sacred objects and non-sale items:				
Church furnishings			4,919,000	
Libraries			357,000	
Media presence				
Social organisations:				
Diakonisches Werk	41,804,000		54,022,000	
Caritas	49,833,000		75,149,000	
Staff:				
Volunteers				21,000,000
Community service workers		684,064		1,286,640
Motor vehicles (estimate)			1,487,595	
Inventory (estimate)			15,000	
Totals	*246,907,613*	*39,066,953*	*981,092,973*	*22,407,356*
		(1,289,474,895)		

Even though the total comes to around DM 1.3 trillion, what is still missing from this figure, and are there overlaps between the individual sectors, i.e. double counting?

Missing figures include:

- Actual turnover of Caritas and Diakonie (180 billion?)
- Church parishes' property (64 billion?)
- The property of the academies, conference centres, youth education centres and the property of the YMCA and all unmentioned (approx. 80) denominational associations (€40 billion)
- The children's component in denominational housing and its owners (9 billion ?)
- State subsidies for family and youth work (20 billion?)
- BAföG for theology students (?)
- Assets of the cathedral treasuries (?)

There will be **double counting**, i.e. 'overlaps' between the individual chapters, for:

- Denominational foundations and denominational associations within the welfare organisations,
- nurseries whose sponsoring body cannot be identified,
- Foundation assets relating to cash deposits with church banks.

However, given the existing data set, we must accept these issues. They may well balance each other out.

In relation to the respective shares of the total volume,

- revenue / turnover 19.1%
- government grants 3.0%
- assets 76.1%
- benefits in kind 1.7%

In particular, the size of the asset portfolio is surprising, yet its distribution is, in fact, quite normal. Of the approximately 981 billion **in assets**, around 620 billion – just under two-thirds – consists of land and property owned by the established Church, its religious orders, special-purpose associations and charitable organisations. Places of worship – that is, churches – and the land on which they stand, however, account for only 86.4 billion plus 236 billion, totalling 322 billion of the real estate assets. The remaining 298 billion consists of real estate and land that can be commercialised 'without difficulty'.

This corresponds to the situation of most private 'millionaires', whose houses and land also constitute their 'asset base' and, in that sense, exist initially only on paper. Whether the land and

can realise their market value 'on the market' depends on a wide variety of factors.

At the same time, the share of direct **state grants** (18.9 billion = 1.4%) and the share of 'indirect' subsidies (20 billion = 1.6%) – at just under three per cent of the total volume (excluding welfare organisations!) – is considerably lower than public discussions would suggest. But the fact is – including further payments for training the next generation, aid organisations, etc. - an annual sum of DM 39.1 billion that is paid for out of general tax revenue (or for which revenue is foregone, which ultimately amounts to the same thing), and that is certainly no 'peanuts' – both in terms of public budget austerity measures and for non-denominational taxpayers.

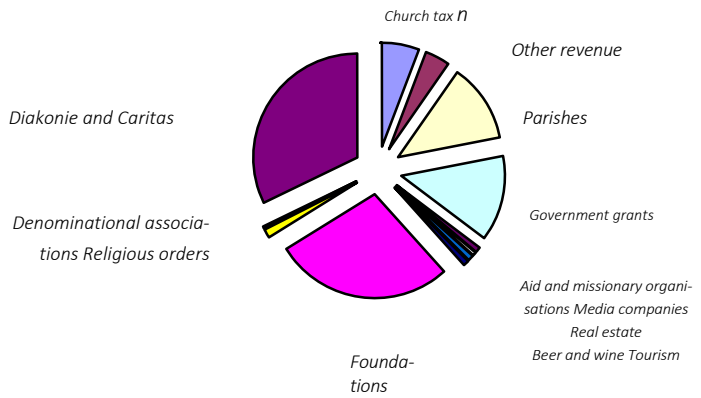
The budgets of the federal states and local authorities are particularly affected by this, as it is they who not only pay the state subsidies of around 14 billion (excluding military chaplaincy and job-creation schemes), but also face a shortfall of[605] (i.e. 10.6 billion), and thus have to spend a total of 24.6 billion on the two religious communities.

It is also worth noting in this context that the much-debated **church tax**, on the one hand, amounts to less than half of what is paid to the churches in state funds and, on the other hand, accounts for only 1.3 per cent of the total volume and just 6 per cent of total revenue/turnover.

As the raw figures do not reveal the respective proportions for the orders of magnitude of the individual sectors in terms of revenue/turnover or assets, this is illustrated in two diagrams.

[605] See *Bundestag Printed Paper 14/1500* (17th Subsidy Report), passim.

Diagram 10: Proportions of revenue / turnover



In terms of income/turnover, the shares are (in order of their proportions): Diakonie/Caritas (31%), foundations (28%), government grants (14%), parishes (12%), church taxes (6%), other income of the established church (4%), all other areas (1% and less).

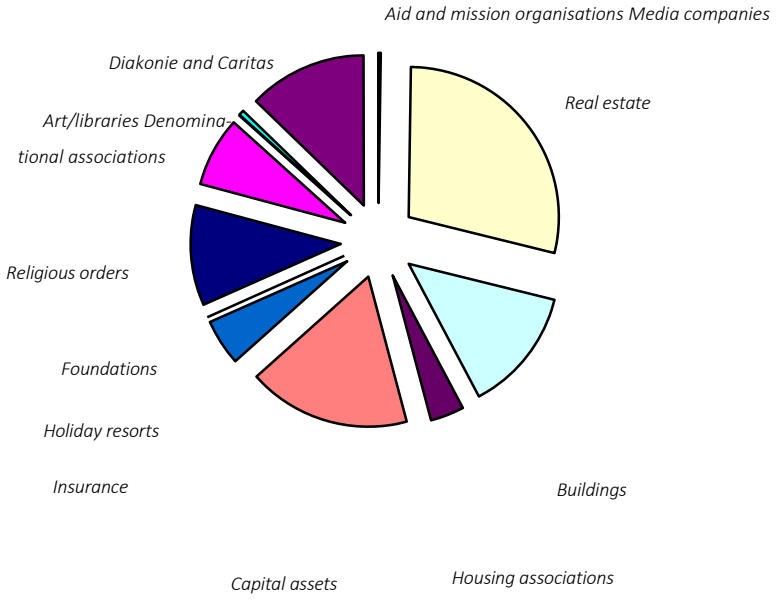
This order once again highlights the small proportion that the 'constitutional church', i.e. the so-called 'official church', represents within the overall structure of the church as a comprehensive organisation of all its works and institutions.

The same does not, however, apply to the distribution of assets, in which the assets of the 'constitutional church' form the main components.

In order of their shares: church land holdings (28%), capital assets of church and charitable institutions (18%), church-owned buildings (13%), property owned by Diakonie and Caritas (13%), foundation assets (11%), real estate and property of religious orders (7%), insurance investments (5%), property owned by housing associations (4%) and all other areas (around or below 1%).

However, it also becomes clear once again that limiting the analysis to 'official churches' would, in turn, only reflect part of the reality.

Diagram 11: Shares of assets



As both denominational sectors were listed together in the total volume, it now seems appropriate to break down the figures again into the Protestant and Catholic sectors.

This results in the following overview.[606]

[606] The percentages refer to the proportion when comparing the two denominational sectors. If an 'S' precedes the percentage, it is an estimate.
Where 'ecumenical' institutions were to be taken into account, they were divided equally.

Breakdown by sector (TDM):	Protestant	/ Catholic	/ Total
Church tax (49 / 51)	8,302,780	8,641,669	16,944,449
Other revenue, excl. government (44 / 56)	4,800,000	6,200,000	11,000,000
Parish budgets (59 / 61)	20,039,502	13,925,756	33,965,258
Subtotal 1 (54 / 46)	*33,142,282*	*28,767,425*	*61,909,707*
State grants to federal states (56 / 44)	457,634	354,156	811,790
Payments from local authorities (S = 50 / 50)	48,928	48,928	97,856
Building costs (S = 40 / 60)	17,352	26,028	43,380
Religious education (S = 50 / 50)	1,342,498	1,342,498	2,684,996
Denominational schools (36 / 64)	1,369,103	2,433,961	3,803,064
Daycare centres (S = 45 / 55)	2,220,670	2,736,940	4,957,610
Cultural activities (S = 50 / 50)	11,100	11,100	22,200
Cultural work abroad (52/48)	3,156	2,914	6,070
Youth welfare (45 / 55)	307,483	369,508	676,991
Military / Police Chaplaincy (S = 50 / 50)	31,997	31,997	63,994
Institutional pastoral care (S = 50 / 50)	8,566	8,566	17,132
Heritage conservation (S = 50 / 50)	38,726	38,726	77,452
Building grants (S = 50 / 50)	25,000	25,000	50,000
Hospital construction (S = 35 / 65)	404,316	750,874	1,155,190
Church congresses (50 / 50)	4,250	4,250	8,500
Fines (S = 50 / 50)	10,000	10,000	20,000
Job creation measures (S = 60 / 40)	1,251,600	834,400	2,086,000
Training of young talent (S = 45 / 55)	548,398	670,265	1,218,663
State revenue waiver (S = 48 / 52)	9,642,193	10,445,709	20,087,902
Subtotal 2: (47 / 53)	*17,742,970*	*20,145,820*	*37,888,790*
Charities / Mission org.: Donations (31 / 69)	350,428	790,798	1,141,226
- Reserves and assets (48 / 52)	596,908	648,073	1,244,981
- Interest income (40 / 60)	19,740	29,345	49,085
- Government grants (51 / 49)	186,034	181,070	367,104
- Other donations (S = 50 / 50)	399,000	400,000	799,000
- Charity stamps (47 / 53)	10,500	12,300	22,800
- Lotteries (ARD, ZDF, Lotto) (47 / 53)	88,799	101,088	189,887
Subtotal 3: (43 / 57)	*1,651,409*	*2,162,674*	*3,814,083*
Magazines / Newspapers (S = 40 / 60)	114,000	171,000	285,000
Publishers (- / 100)	-	1,888,000	1,888,000
Film companies (- / 100)	-	68,000	68,000
Libraries: - State subsidies (8 / 92)	1,147	13,193	14,340
- Book stock (15 / 85)	14,000	78,000	92,000
Subtotal 4: (6 / 94)	*129,147*	*2,218,193*	*2,347,340*
Real estate (leasehold / freehold) (65 / 35)	182,084,092	98,045,280	280,129,372
Buildings (S = 60 / 40)	77,580,600	51,720,400	129,301,000
Ground rent (S = 65 / 35)	675,371	369,543	1,044,914
Housing associations: Income (13 / 87)	146,575	971,046	1,117,621
- Assets (16 / 84)	5,396,891	29,237,500	34,634,391
Subtotal 5: (59 / 41)	*265,883,529*	*180,343,769*	*446,227,298*
Church banks: Cash deposits (55 / 45)	23,176,210	18,760,172	41,936,382
- Equity (64 / 36)	1,269,444	712,903	1,982,347
- Property, plant and equipment (40 / 60)	400,000	600,000	1,000,000
- Fund assets (36 / 64)	2,500,000	4,500,000	7,000,000
- Investments (98 / 2)	55,425	884	56,309
- Employee fund (S = 50 / 50)	10,000,000	10,000,000	20,000,000

Breakdown by sector (TDM):	Protestant	/ Catholic /	Total
Additional cash deposits (S = 50 / 50)	50,000,000	50,000,000	100,000,000
Insurance investments (16 / 84)	7,772,514	40,980,374	48,752,888
Subtotal 6 (43 / 57)	*95,173,593*	*125,554,333*	*220,727,926*
Beer and wine (1 / 99)	655	149,907	150,562
Trading companies (100 / -)	60,463	-	60,463
Tourism (S = 30 / 70)	600,000	1,400,000	2,000,000
Family holiday centres – Value (71 / 29)	306,500	127,700	434,200
- Turnover (49 / 51)	61,000	64,000	125,000
Hotels (100 / -)	100,000	-	100,000
Catering (- / 100)	-	40,000	40,000
Subtotal 7 (39 / 61)	*1,128,618*	*1,781,607*	*2,910,225*
Church foundations: turnover (14 / 86)	11,185,487	68,710,846	79,896,333
- Assets (14 / 86)	14,897,500	89,519,250	104,416,750
Public and private foundations (S = 50 / 50)	16,150	16,150	32,300
Subtotal 8: (14 / 86)	*26,099,137*	*158,246,246*	*184,345,383*
Religious communities / orders (- / 100)	-	71,931,388	71,931,388
Secular orders – assets (41 / 59)	755,000	1,092,000	1,847,000
- Turnover (54 / 46)	1,685,243	1,441,699	3,126,942
Religious associations (53 / 47)	912,800	808,000	1,720,900
Subtotal 9: (4 / 96)	*3,353,043*	*75,273,087*	*78,626,130*
Media coverage (S = 50 / 50)	60,358	60,358	120,716
Church furnishings (44 / 56)	2,176,000	2,743,000	4,919,000
Academic libraries (24 / 76)	85,000	272,000	357,000
Subtotal 10: (43 / 57)	*2,321,358*	*3,075,358*	*5,396,716*
Diakonisches Werk/Caritas turnover (46 / 54)	41,804,000	49,833,000	91,637,000
- Assets (43 / 57)	54,022,000	75,149,000	129,171,000
Volunteers (57 / 43)	12,000,000	9,000,000	21,000,000
Community service workers (52 / 48) State	355,713	328,350	684,063
- Benefits in kind (52 / 48)	669,053	617,587	1,286,640
Subtotal 11: (45 / 55)	*108,850,766*	*134,927,937*	*243,778,703*
Motor vehicles (S = 50 / 50)	743,797	743,797	1,487,594
Inventory (58 / 42)	8,700	6,300	15,000
Subtotal 12: (50 / 50)	*752,497*	*750,097*	*1,502,594*
Total (43 / 57)	**556,228,349**	**733,246,546**	**1,289,474,895**

What at first glance appears to confirm the common prejudice that 'the Catholic Church' is richer is simply wrong, for the headings clearly state 'sector' and not 'Church', and the proportions look quite different if we break down everything we have treated collectively as 'sector' are broken down into their various components.

The Catholic sector differs from the Protestant sector in its structure due to a different history and tradition, and if we remove two areas from the Catholic sector that lie outside the established Church, the following picture emerges: Land holdings and income of Catholic religious orders 71,931 million. Compared to Protestant institutions, due to the particular Catholic tradition and faith, there is a surplus of:

- Catholic foundations 132,147 million
- Mission societies 511 million

Added together, this amounts to 204,589 million which the Protestant sector cannot account for; when this is deducted from the above figures, the result is DM 529 billion for the Catholic sector and DM 556 billion for the Protestant sector.

To illustrate these differences once again, the segments of the denominational sectors are compared below.

Distribution of the individual segments within the sectors (in millions / %)	
Protestant sector	**Catholic sector**
"Constitutional" Church (church tax, other income, excluding state funding):	
33,142 (54%)	(46%) 28,767
State grants:	
17,743 (47%)	(53%) 20,146
Charities and mission organisations / donations:	
1,651 (43%)	(57%) 2,163
Media companies:	
	(94%) 2,218
Land holdings / property of the established churches	
260,339 (63%)	(37%) 150,134
Housing associations:	
(16%)	(84%) 30,298
Banks, funds and insurance companies:	
95,174 (43%)	(57%) 125,554
Retail and tourism:	
1,129 (39%)	(61%) 1,782
Charities:	
(14%)	(86%) 158,230
Religious orders and denominational associations:	
	(96%) 75,273
Diakonisches Werk and Caritas:	
95,826 (43%)	(57%) 124,982
Other:	
16,116 (54%)	(46%) 13,700

26. Conclusion

It would be entirely inappropriate at this point to offer general assessments, as the individual chapters have already begun to explain the specific nature of the respective topic and the individual economic sector, thereby highlighting, amongst other things, the diversity that renders general proposals nonsensical.

In conclusion, let us first attempt to answer the question posed at the outset: 'How rich are the churches?' from various perspectives

1. Private financial assets (excluding construction and consumer debt) in Germany totalled around 8.2 trillion marks in 2000.[607] Per capita (82,037,000 inhabitants), this amounts to DM 99,995. The corresponding financial assets (comprising cash deposits with banks, insurance companies and in shares) amount to around 222 billion (DM 222,129,451,000) within the church sector, which works out at just DM 4,094 per church member (54,253,000).
2. In an organisation such as the churches and their charitable institutions – comprising a total of around 31,000 bodies of the established churches and a further unknown number of legal entities of the charitable institutions (the exact number of which, however, nobody knows) – and having to support around 1,431,000 full-time employees to support, the principle of large numbers always applies, whereby the totalled amounts at first glance appear so colossal that they take the average citizen's breath away.
3. However, within the church sphere, this financial wealth is not available in its entirety to 'the Church'. This sum is likely to be in the region of around 170 billion marks.
4. In this sense, the churches can certainly be described as 'very wealthy', since they do, after all, have the equivalent of around ten 'annual salaries' tucked away, which most of their members – or indeed any resident of Germany – certainly cannot claim for themselves – but 'wealth' operates on a different scale.

   This makes it all the more surprising that the religious communities, which, viewed as a single entity, are the second-largest employer (after the local authorities) in Germany, are so reluctant to speak openly about their finances.

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[607] 'Poverty Report' by the Federal Government of April 2001, quoted from: *Hamburger Abendblatt* of 25 April 2001, p. 2.

Either, one can only surmise, it is a reluctance to admit that the Church, as an employer, is also a commercial enterprise that must be run on sound financial principles, or it is a reluctance to admit just how much religious organisations depend on state subsidies, or it simply has to do with the 'German national character', which finds it embarrassing to talk about its own money – with the exception of the attitude of complaining that there is too little, because everything has become so expensive?

5. With regard to assets, we had already established that, excluding church buildings (places of worship) and the land on which they stand, there is capitalizable wealth in the denominational sectors amounting to 650 billion.
   This leads us to the frequently voiced claim or assumption that the Archdiocese of Cologne is the richest diocese in the world. This claim cannot be substantiated in this form, as the Archdiocese of Cologne ranks 35th among the world's dioceses in terms of the number of Catholics. With 2.3 million Catholics, it is the largest diocese in Germany and consequently has the highest church tax revenue of all German dioceses. However, when calculated per capita, the Diocese of Limburg has a higher income and is therefore 'richer'.
   This assumption presumably refers to a single legal entity within the Archdiocese: the Bishop's See. As the largest shareholder, the Bishop's See of Cologne owns 35 per cent of the share capital of the 'Aachen companies' (see chapter *on housing associations*) and has a share capital of 36 million DM. Of the 24,000 flats in the Aachen companies' own portfolio, 8,575 would accordingly be owned by the Bishop's See, representing a market value of around 1.9 billion. Of the 1998 annual profit, 3.7 million DM accordingly went into the coffers of the Bishop's See. Further shareholdings (in Weltbild-Verlag, the Tellux Group) are left aside but suggest that the Bishop's See of Cologne is indeed the 'richest' in Germany, though not the Archdiocese itself.
6. These legal entities also apply to the allocation of the aforementioned capitalizable assets of 650 billion. If we now assume that there are around 81,000 legal entities in both denominational sectors (31,000 parishes,

20,000 foundations, 30,000 legal entities in the Diakonisches Werk and Caritas), then it is they—and not the ordinary church member—who are the owners, and this means, despite all the differences, an average asset holding of 8.0 million marks per legal entity.

7. A striking trend was also observed among the church banks: despite a decline in church tax revenue since 1993, the financial assets deposited with the banks have risen significantly. Between 1997 and 2000 alone, the 'visible' financial assets held there increased by a further 7.5 billion marks – and this despite publicly declared 'impoverishment'.

This steady accumulation of wealth points to a historical context, for one can also answer the question in a surprisingly different way.

If one attempts to reduce the economic behaviour of the churches to a theoretical 'common denominator', their economic conduct exhibits all the characteristics applicable to the 'pre-capitalist market economy': 'Forms of enrichment are:

- trade profits
- Lending and interest
- large-scale use of slaves
- The levying of monetary tributes of all kinds from subjugated peoples."

If we use more contemporary terms, it no longer sounds quite so alien: state subsidies / banks and interest income / volunteers / church taxes.

And: "What remains entirely alien to pre-bourgeois societies is the accumulation of capital, the non-consumption of what has been gained and its systematic reinvestment for the purposes of expanded production. Even highly developed societies (such as those of ancient Athens and Rome from the 7th and 3rd centuries BCE respectively) know only two ways of making use of acquired monetary wealth: consumption or hoarding – but not the regular, systematic reinvestment of profit into productive assets."[608]

In this context, it is revealing to see how the term 'amortisation' – understood today as the plan for repaying a debt, mortgage, etc. – was used and understood in the past:

[608] Werner Hofmann: *Grundelemente der Wirtschaftsgesellschaft*. Reinbek: Rowohlt [10] 1977, pp. 48 and 49.

"Amortisation (from the French amortir, 'to kill'), originally the transfer of immovable or movable property to the Church, which in the Middle Ages was called the Dead Hand (manus mortua) because it held on to its assets and no longer put them into circulation. To counter the excessive growth of church wealth, which was moreover tax-exempt, rulers had been enacting amortisation laws (leges de non amortizando) since the 14th century, which prohibited the church from acquiring such assets or made such acquisitions subject to state approval."[609]

Do churches still manage their finances as they did in the Middle Ages?

[609] Meyers Lexikon, Seventh Edition, 1924, Volume One, p. 504.

27. Questions

This study began with a simple question. The answer to it raises a multitude of questions from various perspectives, some of which shall be mentioned in conclusion.

1. Why do the churches place their assets 'in dead hands' and use them solely to generate interest?
2. Why are the churches not proud of their assets? What are they afraid of? That they will be asked what they actually intend to do with them?
3. What do the churches do with their assets? Nothing? Why not? Why do they not forgo further accumulation of capital for a single year and invest these three billion in exemplary projects? There are plenty of problem areas: hidden poverty, employment initiatives, large families,...
4. "It is more blessed to give than to receive." Have the churches forgotten to apply their moral imperative (to their own members and to society) to themselves as well?
5. Why do the churches not reflect on the fact that, in these years of state-imposed austerity, subsidiarity is also a reciprocal relationship? What the state cannot do, can civil society organisations – including the churches – take on? Or do the churches understand subsidiarity, which has left them with broad fields of (state and publicly funded) activity and their own influence, merely as a policy of the demanding hand?
6. Why do the churches not make use of their statutory privileges with regard to church assets?
   In accordance with the German Fiscal Code (AO § 62), the (tax-privileged) restriction on the use of assets for church foundations, religious orders and charitable organisations does not need to be laid down in the statutes. According to a ruling by the Federal Fiscal Court (BFH ruling R 35/94 of 24 July 1996), the tax exemption of church assets remains in force even if they are used not for charitable or non-profit purposes but for commercial activities, provided that the proceeds serve a church purpose.
7. Why do people (including bishops) speak of a 'Church corporation' when they refer to the sheer number of its organisations, yet the crucial quality – the central corporate management – is simply not there?

8. Who actually started the rumour about the 'poor Church' and is responsible for it? A rumour that is also repeatedly spread publicly by church officials. Why do church leaders not only remain silent about their finances and assets – which would still be understandable – but also (deliberately?) misrepresent them in public?
9. Why are there wealthy parishes that can easily finance a new building costing four million from their existing reserves, and poor parishes that have to close their church in winter because they have no money for heating costs? Is it the system of 'key allocations' to parishes: those with many church members/church tax payers receive a lot, whilst those with fewer – and who actually need more – receive less? 'To those who have, more will be given...'?
10. Are the churches afraid of their members? Compared to the donations received by the Free Protestant Churches, they would either have to collect DM 64 billion in "church contributions" from their members or would need only 10 million members to match the current church tax revenue through donations.

    Do the established churches, with their church tax, prefer to focus on "quantity" rather than "quality"?
11. Have the federal and state finance ministers ever realised that they would have collected an additional DM 6.8 billion in tax (in 2000) if they had simply removed two words from the Income Tax Act (EStG, Special Expenditure, Section 10(1)4: "church tax paid")?
12. Would it not seem appropriate, regarding the remuneration of church employees, to integrate 75 per cent of church staff directly into the civil service?

    This would also resolve the problem of church institutions' dependence on state funding.

    Until now, when revenue was high, the state would launch projects and the denominational organisations would hire staff for them. When funds are tight, state bodies cut funding and the church organisations are left with the problem of existing staff.

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MIZ – Materials and Information on Contemporary Issues. Political magazine for non-denominational and atheist women, Aschaffenburg. Published by the International Federation of Atheists and Non-Denominational People (IBKA)
Building and Settlement. Journal of Housing and Urban Planning of the Catholic Settlement Service e.V., Cologne

Internet addresses

Please note that the internet addresses listed here date from autumn 1999 to early summer 2001; some may have changed since then and may not have been updated.

Protestant Church:
Protestant Church in Germany (EKD): http://www.ekd.de
Regional Churches:
- Anhalt: http://www.landeskirche-anhalts.de
- Baden: http://www.ekiba.de
- Bavaria: http://www.bayern-evangelisch.de
- Berlin-Brandenburg: http://www.ekibb.com
- Braunschweig: http://www.luth-braunschweig.de
- Bremen: http://www.kirche-bremen.de
- Hanover: http://www.evlka.de
- Hesse-Nassau: http://www.ekhn.de
- Kurhessen-Waldeck: http://www.ekkw.de
- Lippe: http://www.lippische-landeskirche.de
- Mecklenburg: http://www.kirchemv.de
- North Elbe: http://www.nordelbien.de
- Oldenburg: http://www.ev-kirche-oldenburg.de
- Palatinate: http://www.evpfalz.de
- Pomerania: (see Mecklenburg)
- Reformed: http://www.reformiert.de
- Rhineland: http://www.ekir.de
- Church Province of Saxony: http://www.ekd.de/kps
- Regional Church of Saxony: http://www.landeskirche-sachsen.de
- Schaumburg-Lippe: http://www.kirche-shg.de
- Silesian Upper Lusatia: http://www.eksol.de

- Thuringia: ourworld.compuserve.com/homepages/LandeskirchenamtEisenach
- Westphalia: http://www.ekvw.de
- Württemberg: http://www.elk-wue.de

Diakonisches Werk e.V.: http://www.diakonie.de

Kirchentag: http://www.kirchentag.de

Catholic Church:

Secretariat of the German Bishops' Conference: http://www.dbk.de

Catholic Church in Germany: http://www.kath.de (with links to all dioceses, press releases, etc.) and also: http://www.katholische-kirche.de

(Arch)dioceses:

- Aachen: http://www.bistum-aachen.de
- Augsburg: http://www.bistum-augsburg.de
- Bamberg: http://www.erzbistum-bamberg.de
- Berlin: http://www.kath.de/bistum/berlin
- Dresden-Meissen: http://www.kath.de/bistum/dresden-meissen
- Eichstätt: http://www.ku-eichstätt.de/bistum
- Erfurt: http://www.kath.de/bistum/erfurt
- Essen: http://www.bistum-essen.de
- Freiburg: http://www.kath.de/bistum/freiburg
- Fulda: http://www.bistum.fulda.net
- Görlitz: http://www.kath.de/bistum/goerlitz
- Hamburg: http://www.erzbistum-hamburg.de
- Hildesheim: http://www.bistum-hildesheim.de
- Cologne: http://www.erzbistum-koeln.de
- Limburg: http://www.kath.de/bistum/limburg
- Magdeburg: http://www.kath.de/bistum/magdeburg
- Mainz: http://www.kath.de/bistum/mainz
- Munich / Freisg.: http://www.erzbistum-muenchen-und-freising.de
- Münster: http://www.bistum-muenster.de
- Osnabrück: http://www.kath.de/bistum/osnabrueck
- Paderborn: http://www.erzbistum-paderborn.de
- Passau: http://www.bistum-passau.de
- Regensburg: http://www.kath.de/bistum/regensburg
- Rottenburg-Stuttgart: http://www.drs.de
- Speyer: http://www.kath.de/bistum/speyer
- Trier: http://www.dioezese-trier.de
- Würzburg: http://www.bistum-wuerzburg.de

Caritas: http://www.caritas.de

Catholic Day: http://www.katholikentag.de

Charities

German Donation Register: http://www.spenden.org/rds

Church aid organisations:

Brot für die Welt: http://www.brot-fuer-die-welt.de
misereor: http://www.misereor.de
Caritas International: http://www.caritas-international.de
Diakonie Disaster Relief: http://www.diakonie-katastrophenhilfe.de

Papal / Episcopal Mission Societies:
Adveniat: http://www.adveniat.de
Bonifatiuswerk: http://www.bonifatiuswerk.de
Kindermissionswerk: http://www.sternsinger.de
missio: http://www.missio.de
Renovabis: http://www.renovabis.de

Other Catholic aid and missionary organisations
action five: http://privat.schlund.de
Adelante San Gerardo: http://home.t-online.de/home/awklawitter
Aktion Canchanabury: http://www.canchanabury.de
Aktionsgruppe Kinder in Not: http://www.kinder-in-not.de
Doctors for the Third World: http://www.rz.uni-frankfurt.de/Aerzte-3Welt
Asia Foundation: http://www.asienhaus.org
Surviving the War: http://www.refugees.net
German Leprosy Relief Organisation: http://www.dahw.de
Human HELP NETWORK: http://www.hhn.org
Aid for Indigenous Peoples in Paraguay: http://www.indianerhilfe-paraguay.de
Rio Children's Village: http://www.spenden.org/rds/05372.htm
New Life South America: http://www.spenden.org/rds/04689.htm
Our Little Brothers and Sisters Association: http://www.spenden.org/rds/03640.htm

Protestant Aid and Mission Organisations
Self-Taxation Campaign: http://www.aktion-selbstbesteuerung.de
Action for Reconciliation: http://www.ipn.de/asf
Solidarity World Action Group: http://www.ASWnet.de
BUKO Pharma Campaign: http://www.dsk.de/rds/22147022.htm
CHILD – Christian Children's Aid Organisation: http://www.child-ev.de
Christian Solidarity International: http://www.hoffnungszeichen.de
YMCA Germany: http://www.dsk.de/rds/05507.htm
German Aid Association for Christian Charity Work in the Orient e.V.:
http://www.spenden.org/rds/18610.htm
Eirene: http://www.eirene.org
FIAN: http://www.fian.de
Hope + Life: http://www.spenden.org/rds/24748.htm
India Alliance Mission: http://www.spenden.org/rds/27414.htm
ORA e.V.: http://www.ora-international.org
Third World Solidarity Fund: http://members.aol.com/Solifonds
Worldwide Church of God: http://www.wcg.org/de
World Vision Germany: http://www.wvi.org

Evangelical organisations

Association of Evangelical Missions: http://www.aem.de
Christoffel Mission for the Blind: http://www.cbmi.de
Campus for Christ: http://www.spenden.org/rds/19434.htm
German Missionary Society Charity Association:http://www.dmgint.de
Inter-Mission e.V.: http://www.inter-mission.base.org
Liebenzeller Mission: http://www.liebenzell.org
Marburg Mission: http://www.marburger-mission.org
Missionary Air Service: http://www.spenden.org/rds/17705.htm
Ring of Missionary Youth Movements: http://www.rmj.de
SIM – Germany / Native American Mission: http://www.spenden.org/rds/18647.htm
Overseas Missionary Fellowship: http://www.omf.org
Wycliffe Bible Translators: http://www.wycliff.de

Development Policy
BMZ – Federal Ministry for Economic Cooperation: http://www.bmz.de
VENRO – Association of German Non-Governmental Organisations for Development Policy: http://www.venro.org

Media organisations:
Protestant Church Newspapers: http://www.kirchenpresse.de
Weltbild-Verlag: http://www.weltbild.de
Claudius Verlag: http://www.claudius.de
Gütersloher Verlagshaus Gerd Mohn: http://www.gtvh.de
Paulinus Group: http://www.paulinus.de
Benedictpress: http://vier-tuerme.de/Druckerei
Tellux / Pro Vobis: http://www.telluxfilm.de
Radio-Horeb: http://www.horeb.org
Domradio: http://www.domradio.de

Banks:
Bank for Social Economy: http://www.bfs-ag.de
Bank for the Church and Caritas: http://www.bkc-paderborn.de
Bank for the Church and Diakonie: http://www.BKDBank.de
Darlehenskasse Münster: http://www.dkm.de
Evangelische Darlehensgenossenschaft: http://www.edg-kiel.de
Evangelische Kreditgenossenschaft Kassel: http://www.ekk.de
LIGA Spar- und Kreditgenossenschaft: http://www.ligabank.de
PAX-Bank: http://www.pax-bank.de
Savings and Credit Bank (Nuremberg): http://www.skb-nbg.de

Investment funds:
Aachener Grundvermögen: http://www.aachener-grund.de
Deutsche Fonds für Immobilienvermögen: http://www.defo.com
Kolpingfonds: http://www.eagle.top-kolping.de
Union-Investment: http://www.union-investment.de/fonds...
Environmental funds: http://www.umweltfonds.de

Insurance:
Bruderhilfe/Familienfürsorge: http://www.bruderhilfe.de
Lebensversicherung von 1871 a. G.: http://www.lv1871.de
Ecclesia – Insurance: http://www.ecclesia.de
HUK Social Award: http://www.sozialpreis.de
Pax Health Insurance: http://www.pax-kranken.de
Church Supplementary Pension Fund ...:http://www.kzvk.de

Monastery beer and bishop's wine:
Breweries:
- **Alpirsbach**: http://www.alpirsbach.de
- **Andechs**: http://www.andechs.de
- **Ettal**: http://www.ettaler-kloster.com
- **Hacklberg**: http://www.hacklberg.de
- **Neuzelle**: http://www.neuzeller-bier.de
- **Weltenburg**: http://www.breworld.com/Weltenburg

Wineries:
- **Juliusspital**: http://www.juliusspital.de
- **Bischöfliches Weingut Rüdesheim**: http://www.bistumlimburg.de/weingut

Trading companies:
FairTrade e.V.: http://www.fairtrade.de
TransFair: http://www.transfair.org
Gepa: http://www.gepa3.de
Albrecht GmbH: http://www.christlicheartikel.de
Trading Company for the Church and Diakonie: http://www.hkd.de
Third World Partners: http://www.dwp-rv.de

Tourism:
Ökumene-Reisen: http://www.oekumene-reisen.de
Neues Leben Reisen GmbH: http://www.reisen.neues-leben.de
Arche Noah Reisen: http://www.kath.de/bistum/trier or: http://www.arche-noah-reisen.de
Raptim-Germany: http://www.raptim.de
Catholic Television Programme at ZDF: http://www.wurzeln.visionen.de
Catholic Holiday Organisation Oberhausen: http://www.kforeisen.de

Hotels:
Association of Christian Hotels: http://www.euro-hotel.de/vch
Kolping Hotels: http://www.kolping.de/vkh/hotels
YMCA: http://www.cvjm-haeuser.de

Foundations:
Central Institute for Church Foundations: http://www.kath.de/bistum/mainz
Braunschweig Monastery and Study Fund: ttp://www.bezirksregierung-braunschweig.de

Federal Association of German Foundations: http://www.stiftungen.org
German Foundation for Monument Protection: http://www.denkmalschutz.de
Bertelsmann Foundation: http://www.stiftung.bertelsmann.de
German Federal Environmental Foundation: http://www.dbu.de
Cultural Foundation of the German States: http://www.kulturstiftung.de

Religious orders:
Catholic religious orders (overview): http://www.orden.de
Protestant communities: http://www.ekd.de/kloster
Andechs Monastery: http://www.andechs.de
Ettal Abbey: http://www.kloster-ettal.de
Teutonic Order: http://www.deutscher-orden.de
Order of St John: http://www.johanniterorden.de
Order of Malta: http://www.malteser.de

Denominational associations:
Opus Dei: http://www.opusdei.org
Kolping Society: http://www.kolping.de
YMCA: http://www.cvjm.org
Schoenstatt Movement: http://www.kath.de/schoenstatt

Art, sacred:
Church trade fairs: http://www.ecclesia-online.de
Church crafts: http://www.c-ludwig.de
Chairs, etc.: http://www.dalemans.de
Organs: http://www.musikhaus-cremer.de

Media presence:
The Word for Sunday: http://www.das-erste.de/wort
Catholic television programming on ZDF: http://www.kath.de/kfa
and: http://www.wurzeln-visionen.de
Church radio / television:on Bavarian Television: http://www.br-online.de/stationen

Church critics:
Bible: http://www.die-bibel.de
Green Party Working Group, North Rhine-Westphalia: http://www.staat-und-kirche.de
Augsburg Association for Freedom of Thought: http://www.bfg-augsburg.de
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