

STATE FINANCE FOR EUROPEAN CHURCHES

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In the January 1990 issue of the Journal, Professor McClean gave some account of the first meeting of the European Consortium for Church and State Research and of the position as to State support for Religious Education in the countries of the European Community. This article, based on his contribution to the March Conference of the Society, looks at the wider question of State Finance for the Churches, their ministry and worship.

If you go “Church-crawling” in France (I wonder if the French have a word for it) you will, all too often, see grass and even bushes growing on the roof. It is not just the absence of an Inspection of Churches Measure which produces this lamentable scene. Over much of Western Europe property of the Church, particularly its church buildings and its presbyteries, was seized by the State in the aftermath of the French Revolution. The practical consequence is that the upkeep of the parish church and the curé’s house has to take its turn in the budget of the municipal council with all the other types of public expenditure, street lighting, extending the old folks’ retirement home, and improving the sewage system.

Of more general significance, it gives the financial relations between Church and State a character quite unlike that which prevails in this country. We have our churches, our rectories and our endowments. Many of our neighbours on the Continent are in a quite different position. They have fewer assets and they regard themselves as having some sort of continuing claim against the State for compensation. Historically, whatever was their due must long ago have been received; but it remains a present factor in the thinking of Continental Churches. They feel it right that they should receive regular subventions from the State and one of the reasons they advance is the expropriation of their assets.

Another important legal difference between ourselves and our Continental neighbours is our lack of a written Constitution. We can describe what it means to be an Established Church, and sketch the historical origins and developing conventions of the Church-State relationship. But we have never had to formulate in a single Article of a Constitution the precise ideological principle which justifies and defines the “Establishment”. Such questions of principle loom large in Continental debates; though it has to be observed that there is no very clear relationship between declared principle and actual practice.

GREECE

I offer a brief guided tour of selected European States, and it is perhaps best to begin with another “confessional” State, Greece. It is almost accurate to say that the Orthodox Church is the Established Church of Greece. “Almost”, for in Greece there are five different Orthodox ecclesiastical jurisdictions. There is the Autocephalous Church of Greece itself centred on the Archbishopric of Athens; there is the so-called Church of the New Province, or the New Provinces, which covers Macedonia and Thrace, the territories which came into Greece latterly; there is the Church of Crete; there are four dioceses in the Dodecanese which

are under the metropolitan authority of the Ecumenical Patriarch in Constantinople; and of course there is that strange oddity on the map of Europe, the peninsula of Mount Athos with its self-governing statute and its twenty international monasteries. The whole makes up the Orthodox Church in Greece. 96% of the population declare themselves to be members of it, and for historical reasons (the Ottoman rule through many centuries) there is a very close identity of Church and State in the popular mind.

The Greek Orthodox Church receives from the State certain advantages which are, I believe, almost common form in all European Community States. Subject to variations to suit national legal systems, all churches seem to have privileges in terms of local rates or property taxes, and share with other charities in tax concessions in respect of regular giving (the "covenants" we are familiar with) and inheritance. In my tour I will not mention these further; but their value is of course considerable.

The Greek Church receives in addition a large number of subventions from central and local government, some large some small, all the result of Acts of Parliament passed in relatively recent times. For example, £40,000 a year to the Cathedral of Athens; on a bigger scale, £2,300,000 for the cost of Ecclesiastical Education, for theological colleges, which the Greek Church took over about ten years ago but later returned to the State as it could not afford the cost; and a whole lot of small grants from the Ministry of Culture, for example £2,000 to a small village church to publish a brochure on the life of its local patron saint.

Most significant of all is the arrangement between Church and State over stipends and pensions. Under it, 35% of Church collections go to the State, but in return the State pays all the stipends and all the pension costs of bishops and priests and deacons and of some 200 lay officers. It is a very good deal for the Church: 35% of the collections amounts to about £2,000,000 a year, but the State payments on the other side of the account are some £60,000,000 a year.

Professor Papastathis of Thessalonica comments that "in Greece the Church has handed over its financial problems to the State, in spite of the Church's vast property and large revenues from its estate and from its flock." He says "the situation develops regardless of what the Holy Canons provide and the actual mission of the Church dictates" and he estimates the total annual subvention from State to Church at £125,000,000 a year. This is *not* a legacy from past centuries. It started after the Second World War, in the middle of the Civil War which divided Greece in 1946 and 1947. It has been supported by every successive Greek government; the Church is still asking for more; the Church is getting more. The most recent proposal is that the State should pay the honoraria of the cantors who lead worship in major parish churches.

GERMANY

Let us travel north to Germany. Here there is no historical identity of Church and State. The modern Germany is a much more recent creation than the events which led to the division of the Churches. When you speak of "the Church" in Germany, you actually mean the Catholic Church and the Evangelical and Lutheran Federations of Churches and so on. There is no single national Church with which the nation can identify.

Any discussion about German law as to Church and State relations begins with statements about their institutional and organisational separation and the constitutional neutrality of the State in religious matters. However, German lawyers argue that one of the implications of guaranteeing the freedom of religion is that the State must provide the material means which ensure that that freedom is exercised. The result is that despite the religious neutrality of the State, legal and constitutional provisions give a very privileged position to the Churches in financial matters.

In particular, the Churches are declared to be “corporations under public law”, able to impose a precept over and above the civil tax imposed by the various Lander of the German Federal Republic. In addition, some historical subventions dating back to the period of the expropriation of Church property are guaranteed to continue, and many of the German Lander have provisions expressly based on “the religious and moral foundation of human life” which oblige the State to pay for religious education in Church schools, and for theological faculties.

However about 80% of the Churches’ income comes from the Church tax. Every baptised person is eligible to pay it, unless he declares that he has left the Church. The tax is a surcharge on the income tax already payable by the individual, collected via PAYE, and calculated as a percentage of the underlying income tax. The actual figure is between 8 and 9% of the tax already paid.

If we were to apply that to *our* tax system, a married man with no mortgage earning £16,000 a year (and with a wife not in employment) will pay in income tax for the fiscal year 1990-91 the sum of £2,819. Applying a German Church tax, he would pay to his local diocese an additional £240, or 1.8 *per cent* of his earnings net of income tax. This regardless of his actual involvement in Church activities.

There is no Church tax in the German Democratic Republic, so there are some interesting issues to be resolved in the talks on German re-unification.

I should add that in Denmark there is also a Church tax and in addition the clergy are paid by the State as civil servants. In Belgium Catholic and Anglican clergy are paid by the State, the Anglicans benefiting from the fact that King Leopold I of the Belgians was himself an Anglican.

SPAIN

Spain provides an illustration of a “concordative” State, and much of what follows is also applicable to Italy where the relevant changes seem to be about five years behind the Spanish timetable. For most of its history Spain was a confessional State, and the early Constitutions of Spain always contained a provision that the nation undertook to maintain the ministry and the worship of the Catholic Church which was the Church of Spain. The current Constitution says there should be no established Church; the public authority shall, however, bear in mind the religious beliefs of Spanish society and shall maintain the “consequent relations of co-operation with the Catholic Church and other confessions.” What these “consequent relations” are to be is not at all clear from the text; financial support is nowhere specified. Despite that, there is a very detailed Concordat between Spain and the Holy See providing for considerable financial support by the Spanish State to the Roman Catholic Church.

The Concordat provided for a three stage programme. It came into force in 1980 and for the first three years there was to be a single annual subvention which would more or less cover the cost of clergy stipends and clergy pensions and “the running costs of worship”. After three years that was meant to change; but the change was delayed until 1988 because of technical difficulties. The current system, which is meant to expire at the end of this year, is that within the income tax that people pay, there is a small fraction which on their tax return they can appropriate either to general charitable purposes or to the expenses of the Catholic Church. Unlike the German system, it is not an additional payment; it is, rather, an assignment of some of the tax which the taxpayer is already paying. The fraction is quite small. It’s just over 0.5%; using the tax example used earlier (the taxpayer earning £16,000 a year, etc.) the amount involved would be just over £14.70 a year. This produces £16,500,000 overall for the expenses of the Church in Spain. However, under the current interim stage this (clearly inadequate sum) is made up by a direct State grant to the level of payments under the earlier system, index linked, by way of a “safety net”. From 1991 onwards, if the programme is adhered to, only the tax assignment will be available, and there will be no additional State subvention.

ENGLAND

By way of comparison, the Church of England “by law established” receives virtually nothing from the State, assuming (I believe correctly) that the assets of the Church Commissioners are the Church’s own endowments and not a State fund. Of the total expenditure at all levels of some £400 million a year, the only direct subvention is of some £6 million for the repair of historic churches in use. Even if we add payments of £9 million to the Redundant Churches Fund, the percentage represented by State subventions is very small indeed. There are, of course, various tax concessions, but as noted above those are virtually common form and depend as much on general charity law as on specifically ecclesiastical considerations.

CONCLUSIONS

It seems clear that “establishment” or its absence has no direct effect on financial realities. Historical factors have a much greater impact. They explain the relative wealth of the German Churches, and the absence of major subventions to the established Church of England (and the non-established Roman Catholic Church in Ireland).

One does get the impression that in relative terms, the Church of England is among the wealthiest Churches, Germany excepted. It retains its endowments and commands a relatively high level of financial support from its members; and this is evidenced in the standard of maintenance of its buildings and in the levels of stipend and retirement provision.

Personally I welcome our financial independence of the State. I must admit that I doubt if any arrangement for direct subvention towards the Church’s ministry and worship would be acceptable in the secularised climate of political opinion – but the issue does not arise.

What is striking is the political support for such subventions in many other Community Member States. All that does suggest that the growing power of Community Institutions should not be seen as a threat in terms of the relationship between Church and State.