

The pilgrimage business is growing by an amazing 20% a year
Invitation-only flights and 5-star convents: off-shore status means tax-free profits

God's tourists: €5bn a year

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Cardinal Ruini aboard the first airborne pilgrimage

Pope Ratzinger's blog, unofficial but blessed by the Holy Father, reads: "In the era of low-cost travel, the ORP (Roman Pilgrimage Office) is moving with the times". The quest to find God has moved over entirely to low-cost flights. An old Mistral Boeing 707-200, now with ORP livery, took off from Rome on 27th August, headed for Lourdes.

148 pilgrims, including as guest, Luciano Moggi, undertook the pilgrimage and were led by a well-qualified guide, Cardinal Camillo Ruini, the Rector of the Lateran Pontifical University, who thus extended his benediction to the faithful pilgrims. Upon boarding, the air stewardesses in blue and yellow uniforms, yellow scarves with Vatican brooches around their necks, welcomed the passengers and accompanied them to their seats. On the headrests was written: "I search for your face, Lord".

The agreement between the Vatican and Mistral was born amidst a huge advertising launch on to the "faith" tourism market. For the "quest to find God on exclusively low-cost flights", the Church turned to Luciano Moggi (former DG at Juventus and back in court at the time for alleged irregularities) for endorsement, as well as a much gossiped-about association with the Italian Postal Service. Mistral was founded by Bud Spencer, a well-known Italian Spaghetti-Western actor in 1981. It was saved from collapse by the Berlusconi government in an operation considered unfair even by some right-wing politicians and still shrouded in mystery to this day.

An enquiry by *Alleanza Nazionale* MP Vincenzo Nespoli into why the Postal Service paid out up to five times the face value for Mistral shares, in order to compete, above all, with the ailing national carrier Alitalia, never received a response from the government. The pact between Mistral and the ORP to transport 50 thousand Italian pilgrims in the first year to European and Holy Land shrines, with a provision for 150 thousand in 2008 (the 150th

anniversary of the Fatima apparition) is just the tip of the iceberg of a huge business in religious tourism, and almost all of it tax-exempt.

In terms of growth, the tourism industry is world leader and 3rd in terms of profit behind oil and arms. In Italy, one of the top tourist destinations on the planet, the Catholic Church is the leader in the sector by a long way. According to a Trademark poll, the Catholic Church handles a throughput of 40 million visits, 19 million reservations, 250 thousand bed places in almost 4 thousand establishments per year. Turnover is more than 4 billion euros a year, three times that of the top Italian tour operator, Alpitour. At the top of the Catholic tourism organisation is the ORP which has agreements with 2 500 agents and a network of thousands of referrals across the country.

The ORP is headed by Camillo Ruini, Vicar of Rome with Liberio Andreatta, formerly as administrator-delegate and now as Vice-President, reporting directly to the Holy See. Alongside the ORP, APSA (the Vatican's Department of Administrative Affairs) has an important role in looking after the Vatican's heritage i.e. church buildings and their numerous accompanying hotels. Both organisations are based within the Vatican City and therefore enjoy off-shore tax status, which in practice means that they don't have to submit accounts and can bypass Italian tax, hygiene and safety laws, to name but a few.

Moreover, every agreement between the ORP and its clients contains a clause (16) which refers the client "in case of dispute" to the "basic law of the State of Vatican City". Just what is this basic law of the State of Vatican City? For all legal proceedings, civil or criminal, the last word rests with the Pope. Catholic tourists or not, 90% are Italian citizens and, should they have a problem with the service provided, they must await the final word from the Pope. Despite this, the Italian State favours the ORP in various ways, and is supported even by the Ministry of Communication.

Tax-free status is pretty much the norm across all the Church's business activities, as it is in the private health sector. The Bambin Gesù Paediatric Hospital in Rome, for example, well-known to Rome's parents, receives numerous State and regional grants, but neither the State nor the Lazio regional governments have the power to review the agreements made with Bambin Gesù because any changes must be handled directly by the Foreign Secretary and the Vatican itself [being agreements between sovereign states].

In a booming economic sector like tourism, tax-free status can be considered an excellent fiscal umbrella. It is not just a case of hotels, restaurants and bars on Church property which may avoid the ICI buildings tax, but it is also the non-payment of other taxes (IRPEF, IRES, IRAP). The European Commission has long requested clarification from the Italian government about the long list of tax advantages [accorded to the Church], and not just the ICI. Workers in "religious establishments", more often than not real hotels to be found in the normal tourism marketplace, are often nuns, priests, volunteers or casual staff. The Church therefore also avoids paying employer's taxes for these workers.

There have been regular complaints on the subject posted on the Bishops' Conference (CEI) website about the fact that, given its huge growth, the religious tourism network has had to employ more and more "external" staff. "External staff don't give the same level of service" as that given by nuns and priests, they complain. Apparently they ask to be paid for overtime and want to introduce trade union representation, but freedom is strictly limited within the Vatican's jurisdiction. The Church's tax privileges constitute a big advantage over its competitors and allow the operation of unfair pricing structures.

If the tourism sector in Italy is growing, the expansion seen in the religious tourism sector is nothing short of spectacular, with a growth factor of nearly 20% a year. In the space of four or five years, the turnover could be as large as 10bn euros. It's not just about "pilgrim" or "low-cost" tourism, either. "There are now about a hundred monastery-hotels on the books of Condé-Nast, Relais et Châteaux and Leading Hotel of the World", says *Il Sole 24 Ore* (the Italian business daily), but while they are two-, three-, four- or even five-star establishments, their prices are always much lower than the competition, thanks to much lower overheads.

In a previous instalment in this series, we talked about the hotel run by the Brigidine Sisters, costing €190 a night and in a part of Rome where a four- or five-star hotel costs twice that much. In the Italian capital alone, the number of cases like this are well above 30 or more. The Carmelite Sisters of Castel Sant'Angelo offer rooms with mini-bar, satellite TV and air conditioning for €120 a night, down to "three-star" rooms at €60 or €70. The splendid Chiaravalle Abbey in the centre of Milan costs €300, but it is a 5-star with all the trimmings. The same goes for the famous Ursuline Sisters of Cortina and the Camaldoli monastery in Arezzo, which are upmarket cultural, political and intellectual tourist destinations.

Back down at the mass tourism level, prices are going down, turnover is rocketing and the Italian State is helping at every turn with exemptions and direct funding. Of the €1.6bn the Treasury gave for the Church's Jubilee [in 2000], a large portion was spent on restructuring its tourism network. The problem is that this manna has not stopped coming ever since. In various ways, the government and local organisations continue to subsidise the religious hotel network. For the relaunch of the ancient Via Francigena, which in the Middle Ages connected Rome with Canterbury, the State funded it to the tune of 10 million euros. To this must be added the hundreds of contributions which come from local organisations. Given its success, the ORP decided to relaunch other pilgrimages: the Sigeric Way, from Milan to Rome; the Eastern Way, which starts in Venice and winds through Romagna and Umbria; the ancient Southern Way, from Rome to Otranto. This last one passes through the shrine of San Giovanni Rotondo whose boom in tourism helped bury the recent revelations about its most famous resident, Padre Pio. John Paul II apparently had his doubts about the piety of the famous priest, the nature of his relations with followers and the real origins of his famous "stigmata".

There doesn't appear to be a village, province, region or mountain community, governed from the right or the left, which isn't burdened financially by having to fund these projects, the resulting loss of tax revenue or the cost of their refurbishment. In the end, it's not surprising that the ORP is expanding, week by week, its theatre of operations. 2007 has been the year of flights of "faith" within Europe and to the Holy Land. 2008 will see the launch on the American market with the "Christian World Tour" project. "Between 2008 and 2009", Father Cesare Atuire, administrator-delegate of the ORP declares, "projects will be extended to Latin America and the Far East, in particular China, India and the Philippines". All "entirely low-cost".

(with the collaboration of Carlo Pontesilli and Maurizio Turco)

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