

A nine million euro advertising campaign about the Tsunami, but only a third goes to the victims
Ultimately, 80% of donations stay with the Catholic Church

The Church has a secret tax fund: this is where a billion euros disappear to.

The majority of Church funding comes from the mechanism which collects the “voluntary” tax Contributions of those who didn’t specify a particular charity.

By Curzio Maltese | Translated by Graeme A Hunter



The president of the bishops' conference (CEI), Angelo Bagnasco

Rome – The campaigns for the *otto per mille* by the Catholic Church which invade our airwaves each Spring, on the RAI, Mediaset and national radio, are considered by the advertising industry to be the very model of communication product. Well directed, with beautiful photography, music by Ennio Morricone, moving storylines and often unforgettable. Who does not remember the one from 2005, based on the Tsunami tragedy? The ad opens with a fragile group of huts. From the beach, the barefoot fishermen scan the dark horizon. A voice-over starts: “On that day, the end came from the sea, the wave turned everything to nothing”. Break to the *otto per mille* logo: “then, out of nowhere, you came. Your signatures turned themselves into boats and fishing nets”. Zoom in to boats and nets. “Boats and nets that are capable of raising children and catching smiles”. The slogan: “Give your *otto per mille* to the Catholic Church, and you have done much for many”. A masterpiece. The 2005 campaign, like its predecessors, was entrusted to multinational

Saatchi & Saatchi, according to Il Sole 24 Ore and cost the Church €9 million. Three times the amount donated by the Church to victims of the Tsunami. 3 million (source: CEI), or 0.3% of the money raised. In the same year, the UCEI (Union of Italian Jewry) donated €200 thousand to Sri Lanka and Indonesia or 6% of the money received from the *otto per mille* tax contribution. A gift worth proportionally 20 times that of the Catholic Church's, and in a part of the world with no Jewish communities.

The Catholic Church's advertisements are, for most Italians, the only source of information about the *otto per mille*, and for this reason a whole series of prejudices are widespread. Believers and non-believers alike are convinced that the Catholic Church uses the money from the *otto per mille* above all for charitable works in Italy and in the Third World. Their advertisements are entirely taken up by these two elements, but in reality only make up 20% of all expenditure, as confirmed by L'Avvenire (the official organ of the CEI) which has published a financial statement for the first time in its 29th September issue. 80% of the original one billion euros remains with the Catholic Church.

The less informative the Catholic advertisements are, the quieter the passage of the non-specific tax contributions into the CEI's coffers. Non-specific contributions are from those people who didn't tick any box on the *otto per mille* form, and 60% of all contributions are non-specific. The Catholic Church is allocated the non-specific contributions on the basis that 40% of people expressly tick "Catholic Church" on their form. This ultimately means that the Catholic Church receives 90% of all contributions. This obligation is in fact down to the Italian State. The State should have had to illustrate and justify such a peculiar mechanism of "financial voting" to all its citizens, the only such system amongst the Vatican's "vassal" or Concordat States.

In Spain, for example, their non-specific tax contributions remain with the State. In Germany the State limits itself to organising the collection of contributions from citizens who can choose to give 8% or 9% of their income to the Catholic, Lutheran or other church or faith group. The principle that contributions be completely voluntary is the norm in the rest of Europe. The Italian State has adopted this principle for the *cinque per mille* (or 5 per thousand), but it gets worse. The *cinque per mille* was born in 2006 explicitly to direct 0.5% of personal income tax to the research and voluntary sectors (the official estimate is €660 million). In its first (and only) year, 61% of taxpayers opted for it, against 40% for the *otto per mille*, and was therefore an enormous success.

So, just the voluntary contributions came to more than 400 million. In the 2007 budget, though, the government decided to cap the fund at 250 million but still call it the *cinque per mille* except that it had actually been reduced by nearly half. The excess goes to the Treasury. With one hand the government makes a gift of 600 million in non-specific contributions to the CEI and with the other skims off 150 million in explicit donations to the research and voluntary sectors. On the same page of Tax Form 730, a "vote" in favour of the churches expressed by a citizen further up is worth in economic terms four times the "vote"

expressed for the *cinque per mille*. Why two weights and two measures? In eighteen years the State has not uttered a word in public, made an advertisement or given a progress report in order to explain the mechanism, the real destination and the meaning of the *otto per mille*. It is the only “competitor” for the contributions which has the means and, not to mention the moral duty, to do so. The others (Protestants, Jews, Adventists etc) have tiny advertising budgets which, incidentally, are regularly detailed in their financial statements. Meanwhile, the Catholic Church is the only one not to declare its advertising expenditure, which is proof of a lack of transparency. The sole voice to break the State’s silence came in 1996, and was that of a Catholic as often happens. It was Livia Turco, from the Democratic Left party, and at the time Minister for Solidarity. Turco proposed to give the State’s portion of the *otto per mille* to projects for impoverished children. The Pope’s “cashier”, Monsignor Attilio Nicora, replied that “the State should not compete unfairly with the Church”.

End of debate. Livia Turco remembers: “To my way of thinking, my proposal benefitted everyone, including the Church. Italy has the highest percentage of impoverished children on the continent. Unfortunately, the Church’s reaction was harsh and irritated, and I was quickly isolated from politics. It was a very bitter episode.” Politicians have not since dared “compete” with the Catholic Church and have even favoured it with an even worse use of the tax fund. In 2004, the media gave a lot of airtime to the discovery that the Berlusconi government had used 80 out of 100 million received from the *otto per mille* to finance military campaigns, in particular in Iraq. As for the other 20 million, almost half (44.5%) went on the restoration of various churches, and therefore, again, to the Church. The percentage of “votes” for the Italian State went down from 23% in 1990 to 8.3% in 2006.

To balance the weak performance of the Italian State, there has been a growing aggressiveness on the part of the Church hierarchy, and above all their attendant Catholic and newly-converted politicians, when lobbying for their right to public funds. In August, when the European Commission asked the Prodi government to shed light on the tax breaks granted to the Vatican, under the hypothesis that they are covert “State aid”, the ex-minister Roberto Calderoli (known for his involvement in the anti-clerical battles with the Northern League during the 1990s) asked the Pope to “ex-communicate the European Union”. Rocco Buttiglione put forward an argument not used by intellectuals since the early 1900s, but today the height of fashion, that any privileges accorded to the Vatican State would be “in compensation for the confiscation of ecclesiastical property from the Pontifical State”. A “Revanchist” or “revenge” policy already buried by the Church during the Vatican Councils. In 1970, Paul VI visited Capidoglio to “celebrate” the breach of the Porta Pia (the moment in 1870 when Italian forces successfully broke through to the Vatican) describing it as “an act of Providence”, a “liberation” of the Church from its Earthly powers which get in the way of its real mission. Joseph Ratzinger wrote in his *Il sale della terra* (The Salt of the Earth): “Unfortunately, throughout history it has always been the case that the Church has been incapable of distancing itself, of its own volition, from material things; these things have been taken from it by others; this, in the end, has been its salvation”. In 1985, Law N°

222 instituted the *otto per mille*, which was mostly unknown to polemicists and in case did nothing to ignite any calmour for “reparations” for confiscated property (an argument without sense in the Italy of twenty years ago).

The original scope of this law, which aimed to revise the fascist 1929 Concordat, was to guarantee a substitute for the system whereby the State paid priests’ wages. In the first few years the State actually agreed to supplement the *otto per mille* funds (up to about €400 million) when there was not enough to pay the wages. In return, the Vatican agreed that, every three years, a bilateral commission would assess the need to reduce the *otto per mille* fund if the reverse were true. Yet, from 1990 to 2007 the amount received by the CEI has increased five-fold while the outlay on priests’ wages, compounded by the crisis of vocation, has dropped by half (from 70% to 35%). The Italo-Vatican commission, however, has never sought an adjustment. Why? Without delving into any legal philosophy, we can perhaps take a look at the career of one of the secular members of the commission, Carlo Cardia. Signor Cardia, an eminent lawyer with a Communist training and advisor to Enrico Berlinguer and Pietro Ingrao (prominent members of Italian Communist/Socialist parties) started out as a proud “defender of the ignored right of Italians to be atheist” (*Atheism and Religious Freedom*, De Donato, 1973).

In 2001, it was Cardia who called for a reduction of the *otto per mille*, in a paper published by the Prime Minister’s office: “Vast sums of money are now being diverted from the *otto per mille* toward the Catholic Church, or more accurately, to the CEI, and which have exceeded all expectations. We are talking about between €450 – €500 million a year. This amount is far higher than the €200 – €260 million needed to support the clergy. This means that the CEI has at its disposal many millions of euros to fund projects which are obviously “secondary” to the primary purpose of supporting the clergy. So, raising the cashflow like this will soon result in the paradoxical situation in which the role of supporting the clergy will indeed become the secondary objective.” An exact prediction. “All that”, Cardia concluded, “would result in a pure and simple corruption of the purpose of this money by the Catholic Church, and will, more generally, reopen the debate surrounding this irrational use of public money. It may even reach the point of breaching the Constitution if it were to jeopardise the value of the secular State as the defining principle of our political system.” Since then, Signor Cardia has become an illustrious contributor at L’Avvenire, the organ of the Bishops’ Conference (CEI). His choice subjects have changed: a defense of the rapport between youth and Pope Benedict XVI, the fight against Civil Unions, the celebration of Family Day.

Everyone has the right to change their ideas, but isn’t it lucky that, having changed them while working at their newspaper, he continues to sit on a government commission charged with deciding how much money the State will give to the CEI? In his most recent editorial, he thunders against La Repubblica’s investigation: “one of the greatest exercises in disinformation in recent times”. Without contesting the veracity of any of our data, he

vehemently denies that the Church costs the Italian people too much and is outraged by the “indecent” parallels with the political “caste”. On 20th February this year, the very same Signor Cardia declared in an interview that “I would bring the *otto per mille* down from 8 to 7 per thousand given the impressive amount of money being shifted. One only needs remember that it hasn’t been touched since 1984 for fear of political controversy.

The State is much less generous with other faith groups. In response to a question last July from the usual radicals, the Minister Vannino Chiti cited “the fact that the Valdesi Protestants requested, and received non-specific funds” [from the *otto per mille* fund], as proof of the generosity of the tax mechanism. Requested? Yes. Received? Never. We met Maria Bonafede, the Moderator of the Tavola Valdese (one of the larger Protestant denominations in Italy) and the “Ruini” (financial controller) of this group, at their modest headquarters near Rome’s Termini Station. “For ethical reasons we had renounced our right to the non-specific funds, but, in 2000, given what the State was actually using the money for, we asked for it. We met with the then Centre-Left government, then with the Centre-Right, with Gianni Letta and then with his nephew Enrico (prominent Ministers on both sides of politics). Each time they sent us packing. If we were finally allowed it today, we wouldn’t actually see the money until 2010. The State advances the money to the CEI, but the others don’t get it until three years later.”

In 2006, the Valdesi received around €5.7 million, but have the right to more than 13 million. The rest is held back by the State. The Tavola Valdese uses 94% of the money from the *otto per mille* to fund charitable works and the remainder goes on publicity. The Valdesi’s pastors live off spontaneous donations, and their basic wage of €650 per month is the same for everyone, from the Moderator right down to the last pastor. Maria Bonafede explains: “The money from the *otto per mille* comes from the public and it must go back to them. If a Church can’t manage to stay afloat from free donations, then it is a sign from God that He doesn’t mean it to survive.”

(with the collaboration of Carlo Pontesilli and Maurizio Turco)

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