

# THE FINANCING OF THE CHURCH, A WIDELY DEBATED ISSUE

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## Abstract

*The issue regarding the financing of the Church is perceived differently in society. Today the self-financing is considered as the basic rule governing the life of the denominational units and subunits in Romania. A few voices were raised against the financial support shown by the state towards religious denominations. This study attempts to present, without claiming completeness, both the position of those favoring the withdrawal of financial support that the state gives to the church, and the position of the public – the majority, i.e. those citizens emotionally tied to the compelling values promoted by the Romanian Orthodox Church. We also considered it appropriate to make reference to the position of the Romanian Patriarchate on this delicate subject, and, at the same time, the last third of the paper was devoted to European models that govern the relationship between the State and religious denominations.*

### **Preliminary considerations**

The perception regarding the funding of the Church is quite varied. After the secularization of its assets, the Church had to face the state's interference in its life. The state confiscated the ecclesiastical possessions, "sometimes at a slow pace, sometimes through large and sudden strokes, snatching its estates, other assets, rights, the autonomy supported by canons, its own culture, special schools, the authority and prestige, following Russia's example with its enslaved Church, or the Western example, where the Church was sometimes completely banished from the official life, after having almost all its means taken away, means that allowed it to function" (Iorga, 2011, 272).

The Church has the right to possess property/ material goods and have access to them (Harosa, 2011, 56), to achieve its missionary objective.

### **1. Current reactions on the financing of religious denominations**

Adam Smith reckoned as unproductive the labor of religious ministers who, along with other state officials, do not create material goods and are supported "by the national production of the work of others" (Smith, 1962, 223, cited in V c rel, 2007, 50). Therefore, he suggested that the funding of religious institutions, along with other unproductive branches, should be promoted by those with direct interest in the sector, through voluntary contributions. This voluntary contribution will, however, be covered from the total contribution of society, in case of insufficient financial resources (Smith 1962, 235).

The current reactions on the state budgeting of the Church and of religious denominations are not few. For example, one paper ([http://www.apador.org/publicatii/raport\\_stat\\_religii.pdf](http://www.apador.org/publicatii/raport_stat_religii.pdf), accessed on October 2012, was indicating the lack of transparency regarding relations between

the state and religious denominations on the issue of the latter's funding).

Next we make reference to a letter addressed to the two Chambers of the Romanian Parliament by a group of non-governmental associations, written as a reaction to the harsh attacks against the financing of social apostolate activities of the Romanian Orthodox Church.

The letter stems from the initiative of 23 NGOs, and it requires cessation of funding religious denominations from the Romanian state budget (<http://www.revista22.ro/23-de-onguri-cer-parlamentului-sa-opreasca-finantarea-bisericilor-de-catre-stat-si-sa-redirectioneze-banii-publici-catre-educatie-cercetare-si-sanatate-22281.html>, accessed on February 2013) on the grounds that the amount of 0.4 % from the state budget for 2013, allocated for financing religious denominations, could be directed towards health, education and research.

Considering the data of the latest census, those who support the further financing of the Romanian Orthodox Church from the State budget found that almost 99% of the population is religious, the atheists and agnostics representing 0.2 %. So, the signatories of the letter of 33 associations and NGOs concluded that 0.2 % of Romanians cannot decide for the rest of 99% upon the priorities and what should be funded, the majority being members of the Romanian Orthodox Church.

The partnership between the State and the Church is not a recent invention - fact claimed in the open letter addressed to the Romanian Parliament. The representatives of non-governmental organizations and Christian associations recognize the contribution of the Church over time to the benefit of the Romanian people.

The role of the Church cannot be disputed: schools were built, hospital foundations were set up, charity work was done, and scholarships were granted. The Church has accomplished all these through direct participation to the history of the

Romanian people, by providing soul caring and social assistance, fight for national emancipation, and, in case of oppression, it provided continuous enthusiasm regarding the hope in Romania's future.

The historical origins of the current relationship between the church and the state, by which the state participates partly to its financing, lies in the seizure of church property, which began in 1859 under the ruler Alexandru Ioan Cuza.

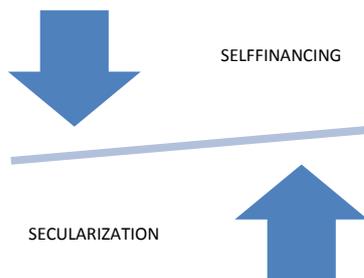


Figure no. 1: The effect of church assets' secularization.

As shown in the letter, since then the state pledged to financially support the Church. By the law of religious denominations in 1948, the Bolshevik regime nationalized what was left of the Romanian Orthodox Church's heritage. *Law no. 489/2006 on religious freedom and the general regime of religious denominations* assumes basic state recognition of the positive role of religious denominations in the contemporary Romanian society, as claimed by the Christian signatories of the letter addressed to the Parliament.

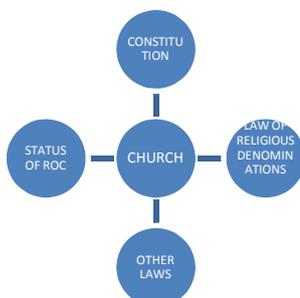


Figure no. 2: Legal and canonical bases on the financing the Romanian Orthodox Church

The recognized religious denominations have the status of legal entities of public utility. They are organized and function under the Constitution and the Law, autonomously. The support granted to the religious denominations is a constitutional right that they should be allowed to enjoy, according to art. 29 of the Constitution and Article 12 of Law no. 489/2006 which establishes that State subsidies are controlled by the State ([http://www.basilica.ro/stiri/scrisoarea-adresata-celor-doua-camere-ale-parlamentului-romaniei-de-un-grup-de-33-de-asociatii-si-organizatii-nonguvernamentale-crestineb\\_3666.html](http://www.basilica.ro/stiri/scrisoarea-adresata-celor-doua-camere-ale-parlamentului-romaniei-de-un-grup-de-33-de-asociatii-si-organizatii-nonguvernamentale-crestineb_3666.html), last accessed in February 7, 2013).

## 2. The position of the Romanian Patriarchate on the financial support of the State

The Romanian Patriarchate provides data on the 2013 State Budget, data which was made available to the Romanian Patriarchate by the Ministry of Finance for the clarification and correct information to the public, as opposed to exaggerating the amount of funds received by the religious denominations from the Romanian state.

The data from the state budget for 2013, made available to the *Romanian Patriarchate by the Ministry of Finance* are the following:

- ❖ The funding of religious denominations for 2013: **487,4 million lei**, of which **276.9 million** for the salaries of the clerical staff, **174.1 million** lei for the salaries of the non-clerical staff;
- ❖ **36.4 million** lei support for construction, restoration etc.

The amount of 487,4 million lei represents 0.2 % of total expenditure necessary of the state budget for 2013, namely 0.08 % of Romania's GDP in 2013. It is not without

significance the fact that most taxpayers belong to the orthodox faith ([http://www.basilica.ro/stiri/bsprijinul-de-la-bugetul-de-stat-pentru-culte-reprezinta-02-din-bugetul-de-stat-sau-008-din-pib-ul-romaniei-b\\_4016.html](http://www.basilica.ro/stiri/bsprijinul-de-la-bugetul-de-stat-pentru-culte-reprezinta-02-din-bugetul-de-stat-sau-008-din-pib-ul-romaniei-b_4016.html), accessed today, February 20, 2013). The financial support from the state budget for religious denominations comes due to the confiscation of church property, as it is rightfully claimed in the press release of the Office of the Romanian Patriarchate.

More recently, deputy Remus Cernea has made reference to another form of the religious denominations' funding than the one from the state budget.

In the event of termination of state funding of the Romanian Orthodox Church and other religious denominations should be naturally followed by a restitution of all confiscated assets of the church. We note that an essential part of the church patrimony was used for the successive appropriation of the poor.

The support granted from the state budget for religious organizations does not come out of pity, but as recognition of the contribution of religious denominations to the Romanian society. The state provides financial support only partly for the expenses regarding the salaries of the clerical and non-clerical staff of religious denominations.

Salary expenditures of religious units must go together with other religious-specific expenses. Among these we mention the following:

- ❖ expenses regarding the maintenance and operation of the religious units (payment of bills for electricity, water, gas etc.).
- ❖ expenditures regarding the construction, repair and building of churches and ecclesiastical buildings ;
- ❖ educational expenses ;
- ❖ expenditures regarding the providing of law-accredited

social services, on their own behalf and/or in partnership;

- ❖ expenditures regarding specific actions and other non-profit activities developed by religious denominations, according to Law 489/2006 on religious freedom and the general regime of religious denominations, according to Article 15, para. 1, pt. f, of the Tax Code.

### **3. European models of the relationship between State and Church**

Regarding the funding of religious denominations in other European, we note that the vast majority of religious organizations receive financial support from the state budget benefiting as well of various tax exemptions to support their activities in those countries.

Therefore, "as there is a *German model* based on Germany's historical and economic tradition, so there is a *Romanian model* that takes into account the history, culture, religion, tradition, social and economic reality of Romania. Moreover, each EU country has its specificity. In this regard, *the Treaty on the European Union* states that «The Union respects and does not prejudice the status of churches and religious associations or communities in the Member States, based on national legislation» (Part I, Title II, art. 17 1 ). In conclusion, the legislative initiative of the deputy Remus Cernea is unrealistic and inappropriate to the current Romanian context. This does not solve the current economic crisis, but instead could create a crisis in the relationship between the state and religious denominations", concludes the press release of the Romanian Patriarchate

([www.basilica.ro/stiri/bsprijinul-de-la-bugetul-de-stat-pentru-culte-este-consecina-confiscarii-proprietilor-biserice-tib\\_5644.html](http://www.basilica.ro/stiri/bsprijinul-de-la-bugetul-de-stat-pentru-culte-este-consecina-confiscarii-proprietilor-biserice-tib_5644.html), accessed in April 2013 ).

Radu Preda presents in his research a few European models of the relationship between the State and the Church ( Preda , 1999 , 102-106 ).

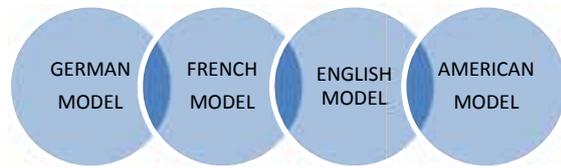


Figure no. 3: European models, regarding the relationship between the State and the Church

Referring to the German model on financing religious denominations, compared to the Romanian model, the theologian in Cluj mentioned that, regarding religious matters, the German model cannot be reduced to the ecclesiastical tax. There can be identified two important sources of financing:

- ❖ payments/state services (Staatsleistungen) and
- ❖ subsidies (Subventionen).

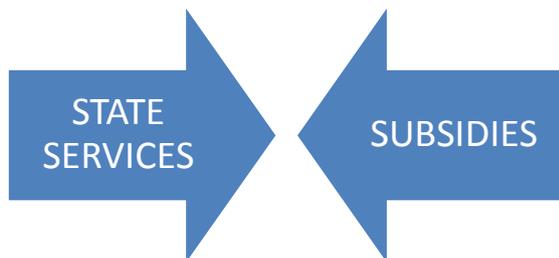


Figure no. 4: The German model regarding the relationship between the state and the church

It must be taken into account the fact that the method of transforming the parishioners into contributors is foreign to the tradition of the Romanian Orthodox Church ([http://adevarul.ro/news/politica/modelul-german1\\_516d80e1053c7dd83f15ab9c/ind](http://adevarul.ro/news/politica/modelul-german1_516d80e1053c7dd83f15ab9c/ind)

ex.htm, accessed in April 2013). The German model on the relationship between the State and the Church promotes both separation and cooperation between the major institutions of the nation.

There is also reference to three other European models on the collaboration between the State and the Church. The French model, which stems from the French Revolution, as applied in France, the Netherlands and Ireland, proposes a radical separation between the two institutions.



Figure no. 5: The French model on the relationship between the State and the Church

In France and the Netherlands, the religious denominations do not enjoy the support of the state. However, Ireland and France agree to indirectly support the Church activity. The French state does not recognize any religious denomination. Therefore, the Church cannot own property except through dioceses (Harosa, 2011, 22). Article 2 of Law regarding the separation of church from and state, published in 1905, does not provide grants to any religious denomination, nor pay clergy salaries (APADOR, 2008, 10).

Conversely, the English model promoted in England, Denmark, Finland, Sweden and Norway supports a total identification of the church and the state. Some researchers in the field included also Greece in the system. The Church of Greece is considered national church.

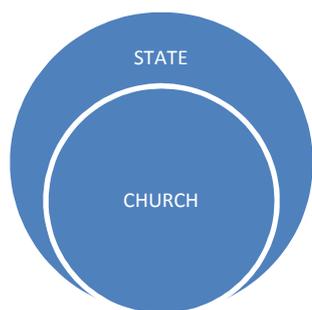


Figure no. 6: The English model on the relationship between the State and the Church

This English model is different from the American system that adopts the “no preference” doctrinal line.

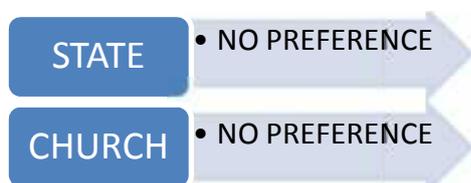


Figure no. 7: The American model on the relationship between the State and the Church

Finally, the pattern characteristic for the Romanian Church is the post-Byzantine model, based on the right parsimony. The Church and the State do not dismiss one another, but are equal partners whose mission is to provide material and spiritual welfare to those who have a clear awareness of belonging both to the external authority – the state – and the inner authority - the church - rule and inner authority of the Church. Equal partners, completely different through their established goals, but yet linked by a “symbiotic closeness” (Preda 1999, 126).

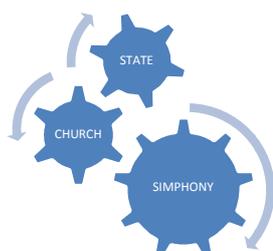


Figure no. 8: The byzantine model on the relationship between the State and the Church

In Europe there are two models of partnership between the State and the Church. Thus, we notice religious countries like Greece, Denmark and the UK, which can be considered religious countries. However, we also notice another type of partnership between the state and religious organizations in case of the states where there is no precedence of one religious denomination to another (Ionita, 2003, 138). The religious denominations are not subject to an administrative and authoritarian review but enjoy the interest of the state to develop partnerships with religious organizations which play a major role in the social life.

In the European countries, the churches have the status of legal entities, public or private. Also, they can be considered sui generis legal entities (APADOR, 2008, 7). In the European Union the funding of the Church / Religious Denominations can be achieved, according to the national law of each state, either as direct support from the State or by collecting contributions owed to the church / religious denomination by those who agreed with the respective religious entity.

The document (synodal decision, 185-266) issued by the Jubilee Synod of Bishops of the Russian Orthodox Church, held in Moscow during 13-16 August 2000, brings clarification on the funding provided for the Church by the Russian State. The aim of the Church’s financing is to promote the spiritual and moral welfare of the world (synodal decision, I.3, 187). The Church is universal but this does not lead to destroying the national principle. The Orthodox Church comprises National Autocephalous Churches (synodal decision, II.2, 187).

Our savior was part of the Roman Empire and paid taxes to the benefit of the Roman administration. The state was not born out of the will of God, but of man's will, due to the distortion of the conscience as the expansion of sin (synodal decision, III.2 , 192). People choosing the worldly dominion must oppose it. There is a

difference in kind between church and state purposes. The church's goal is the salvation of parishioners, and the State's goal is material welfare of its citizens. (synodal decision, III.3, 193) . It is shows that today "the state is usually presented as secular, unbound by any religious commitment. Its cooperation with the Church is limited to a few areas and based on mutual non-interference in each other's respective affairs" (synodal decision, I II.4, 194).

The relations between the church and the state have experienced an interesting evolution. In Byzantium, the focus was on the ongoing symphony existing between the Church and the State. These institutions supported each other without broking the jurisdiction of one of the parties. Today, especially in Europe, the principle of separating the church from the state "is a result of the well known anticlerical or overtly antichurch fight, especially in the history of the French Revolution. In these cases, the Church is separated from the state not because multi-confessional orientation of the population, but because the state is identified with an anti-Christian or totally anti-religious ideology, so there cannot be considered the state's neutrality toward religion , not even its pure secular nature. For the Church this brings about restrictions of course, limited rights, discrimination or outright persecution. The history of the twentieth century provided in different countries many examples of such an attitude of the state towards religion and the Church" (synodal decision, 197) .

The same document shows that in some countries the church is considered as a private body that can enjoy some privileges. However, there cannot be made reference to church of the state. There are some countries that maintain the system of public church. We recall here the Orthodox Greece, and also the Northern countries - Norway, Finland, Denmark and the UK. In France there is a complete separation between the church and the

state. Germany considers the Church, in legal terms, as a legal public entity. In this situation "in most communities the real situation of religious communities depends very little on the fact that some are – or not - separated from the state. In some countries where churches have maintained their public status, it was reduced to charging tax for their support through the state fiscal institutions also for the recognition of religious baptisms and marriages to be considered as equally valid as legal civil status certificates issued by the state administration " ( synodal decision , 197 ) .

In terms of financial resources, the Church teaches that everyone is entitled to possess financial resources and property for a dignified existence (synodal decision, 216). It is considers that the resources of any kind are a gift from God that must be used to the benefit of society ( synodal decisions, VII.1 , 217).

Regarding the property of religious organizations it is considered to be a special form of ownership and "is obtained in various ways, but the fundamental component of its gathering is to be found in the voluntary donations of the parishioners" (synodal decision, VII.4 . 218 ) .

The Synodal document states that "the donation is a special case of economic and social relations, and therefore should not automatically come under laws governing the finances and economy of a state, especially state taxes. The Church says that if the income from a business activity can be charged, any attempt on the donations of parishioners is a crime against people and God " (synodal decision, VII.4 . 218 ) .

In Hungary, state law forbids the registration of the religious affiliation of citizens by administrative authorities. The churches / religious denominations are separated from the state (Erdo , 2003 , 82) . In Hungary there are 136 recognized religious communities, some of them also functioning without being registered .

Regarding the state funding of Church establishments, the Hungarian State has concluded an agreement with the Holy See, ratified in June 20, 1997 and entered into force in April 1998. It is noted that this report cannot be considered "a work in the proper sense because it does not cover all the issues related to the relationship ensemble or the problems related to the relationship between the church and the state, but includes the solution to some of the problems related to the application of Law no. IV of 1990 on religious freedom and law no. XXXII of 1991 on the regulation of the real estate situation that belonged to the Church" (Erdo, 2003, 86).

1945 brings also for the Church in Hungary the nationalization of its temporal goods. After 1989, these goods were not returned. What happened? "It was actually awarded compensation or partial compensation for the property of individuals. In the case of the Church there was applied a system regarding special compensation. There was not received partial compensation for goods that could be sold (land, property for rent, etc.), but were recovered buildings used before 1948 for religious, educational and social activities, social or medical activities, given the condition that those buildings were owned by the state and the church was to use them in one of the related fields" (Erdo, 2003, 87).

The state had to make a considerable effort as it was obliged to pay from the state budget the current owner of those assets. However, the restitution of property did not solve the problem of the Church's financing. "For this reason, the 1997 Agreement provides that the citizens – following the Italian and Spanish models – can donate a part of their taxes (1% of the income tax) to the Church (II, Article 4). This possibility has been extended by a subsequent law also for other registered religious communities. Today there are almost 100 religious communities in Hungary that benefit from this form of financing" (Erdo, 2003, 87).

Also as an important source of funding, provided by the Law no. XXXII/1991, is the restitution of fixed assets in kind or in the form of compensation. Similar agreements have been concluded with other denominations which possessed a large number of buildings (Erdo, 2003, 87).

#### 4. Conclusions

The Romanian Orthodox Church takes account of legal-Canonical and legislative provisions which, together with statutory and council regulations, are underlying the funding of ecclesiastical entities. The canonical provisions of the Church in general, and the statutory ones in particular, of the Romanian Orthodox Church, intertwined with the state law, originated in "the good, the justice, the equity – dear values of the European humanism – just as they are, in fact, provided by the moral law, stemming from the Judeo-Christian Biblical teaching, and required by the universal human rights, rated as "the religion" of man today's and tomorrow's man." (Dur, 2003, 445).

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