

CENTRE FOR NONPROFIT SECTOR RESEARCH

**INTRODUCTION TO THE ECONOMY OF RELIGIOUS
ORGANISATIONS**



**CENTRUM PRO VÝZKUM
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INTRODUCTION TO THE ECONOMY OF RELIGIOUS ORGANISATIONS

This is an English summary of a full report published in the Czech language. The summary was written within the framework of Project No. 402/09/0941 „Revision of nonprofit sector theories as a source of public policy towards the nonprofit sector“ supported by the Czech Science Foundation.

1 INTRODUCTION

One of the key components of our long-term goal of mapping the Czech nonprofit sector is research into churches and religious communities, including their attendant bodies. Very little is generally known about the economy of this segment of the nonprofit sector. In order to realise our research project on the Economy of churches and religious communities, we first had to deal with certain fundamental issues of how the research was to be conducted, including identification of data sources and evaluation of their availability and quality.

An internal study was undertaken to assess the needs of such a project in our workplace. The material obtained, however, included so much interesting data that we decided to share our findings with the public, even though we are well aware that this publication may only scratch the surface of the matter. Our findings show that there is presently a large gap in our knowledge, which future research must attempt to fill.

2 CHARACTERISTICS OF LEGAL FORM

Czech Law No. 3/2002 on churches and religious communities specifies the individual and collective legal rights laid down in the Charter of Fundamental Rights and Freedoms, as well as the relationship between the state and churches and religious communities, with regard to the freedom of belief and the internal autonomy of said organisations, and the consequent necessary neutrality of the state towards said organisations. It includes provisions for the registration of churches and religious communities, and their federation, for the records of church, monastic and other religious institutions and clarifies the rights and duties of registered churches and religious communities.

Level one registration presumes that the religious group comprises no less than 300 adult members with long-term residence in the country. Level one registration provides limited tax breaks and imposes a legal responsibility to provide annual reports. Level two registration presumes that membership of the religious group comprises at least 0.1% of the national population (currently this would be approximately 10 000 people), and that the said group has been level one registered for no less than 10 years. Level two registration provides organisations with the possibility of access to state funding, and only such organisations can implement what is termed “privilege”, in the sense that their rites and values are state protected.

3 METHODOLOGY

3.1 Research aims

- a) To discover data sources on churches and religious communities and evaluate their quality.
- b) To take preliminary soundings of the economy of said organisations, inc. their attendant bodies.
- c) To publish results and findings of this preliminary research.

- d) On the basis of information acquired, to develop a method of mapping the economy of religious organisations.

3.2 Data sources

3.2.1 Registers

The Ministry of Culture's registers of churches and religious communities and church attendant bodies, to be found on their website, where it can be accessed (<http://www3.mkcr.cz/cns/>).

From the Czech Statistical Office's Register of Economic Subjects, to be found at (<http://dw.czso.cz/rswj/dotaz.jsp>), can be obtained, among other things, information on the origins and HQ of subjects, listed based on number of employees and according to the General Industrial Classification of Economic Activities.

3.2.2 Other data sources

The most complete, as well as the only publicly available, source of data on churches, religious communities and their attendant bodies is at the **Czech Ministry of Culture website** (<http://www.mkcr.cz>). It also comprises information on legislative activities, on funding for churches from the state budget or the census result concerning the religiousness of the populace.

Information on religious schools can be obtained from the website of **the Czech Ministry of Education, Youth and Sport** (<http://www.msmt.cz>).

Information on state subsidies to churches and religious communities and church attendant bodies can be found at the **Central Register of Subsidies from the State Budget** (http://cedr.mfcr.cz/cedr3_internet/home.asp). The drawback to this source is that the legal form "religious organisations" here includes other legal forms, specific to religious teaching institutions, and so the data requires considerable adjustment.

4 CHURCH ATTENDANT BODIES

Church attendant bodies are legal persons established by churches and religious communities. The law does not lay down precisely what constitutes such persons, nor does it outline the process of their conception, it merely provides the regulatory framework for their registration in official records.

Church attendant bodies are set up for a variety of purposes, but here we will fit them into five broad categories:

1. Basic local units, known by differing titles depending on their function – **parish, community, assembly, missionary group**. They primarily serve praying and worshipping gatherings of believers.
2. **Higher organisational units**, i.e. umbrellas encompassing other church attendant bodies or constituting the hierarchies of churches and religious communities. Examples include bishopric and see, conference, church province, eparchy, exarchate, diocese and regional assembly.
3. **Charities and societies**, providing services to the needy.
4. **Religious orders**.
5. **Other** church attendant bodies, e.g. church-run educational institutions, missionary organisations, chapters, centres for youth or family, church-based movements, community, lay groups and organisations, seminaries and friaries.

Table 1 Church attendant bodies by founder and purpose as of 30 June 2004

Church / Attendant body	Parishes, communities	Higher org. units	Charities	Orders	Other	TOTAL	%
Apostolic Church	37	~	1	~	3	41	0,83
Baptist Union	33	~	~	~	~	33	0,67
Church of Seventh Day Adventists	143	2	~	~	~	145	2,94
Brethren Evangelical Free Church	57	~	11	~	~	68	1,38
Czechoslovak Hussite Church	298	5	4	~	1	308	6,23
Church of Jesus Christ of Latter-Day Saints	~	~	~	~	~	0	0,00
Church of Christian Communities	49	~	~	~	~	49	0,99
Greek Orthodox Church	25	1	~	~	~	26	0,53
Roman Catholic Church	3 168	13	177	170	53	3 581	72,49
Czech Hindu Religious Community	~	~	~	~	~	0	0,00
Evangelical Church of Czech Brethren	263	14	32	~	~	309	6,26
Evangelical Church of the Augsburg Confession	3	~	~	~	~	3	0,06
United Methodist Church	15	~	6	~	~	21	0,43
Federation of Jewish Communities	10	~	~	~	1	11	0,22
Unitas Fratrum	18	~	~	~	~	18	0,36
Christian Conventions	35	~	~	~	~	35	0,71
Lutheran Evangelical Church of the Augsburg Confession	1	~	~	~	~	1	0,02
International Society for Krishna Consciousness, Hare Krishna Movement	~	~	~	~	2	2	0,04
Religious Society of Czech Unitarians	3	~	~	~	~	3	0,06
Religious Society of Jehovah's Witnesses	160	~	~	~	~	160	3,24
New Apostolic Church in the Czech Republic	~	~	~	~	~	0	0,00
Christian Community in the Czech Republic	~	~	~	~	~	0	0,00
Orthodox Church in the Czech Lands	74	2	~	5	~	81	1,64
Silesian Evangelical Church of the Augsburg Confession	21	5	1	~	~	27	0,55
Old Catholic Church in the Czech Republic	18	~	~	~	~	18	0,36
TOTAL	4 431	42	232	175	60	4 940	100,00
%	89,70	0,85	4,70	3,54	1,21	100,00	

Source: Register of church attendant bodies (<http://www3.mkcr.cz/cns/>) on 30 June 2004.

5 STATE SUPPORT FOR RELIGIOUS ORGANISATIONS

Most churches and religious communities today have three main sources of income: mandatory subsidies (Act 218/1949 on state funding for churches and religious communities); other subsidies to churches and religious communities, their attendant bodies and schools; and direct income, e.g. from subscriptions and gifts or own commercial activity. Some churches and religious communities turn down state support or are not entitled to it yet.

5.1 Mandatory subsidies

The state part finances **17 churches and religious communities** on the basis of Act 218/1949, on the state funding for churches and religious communities, which brought the church under state scrutiny after the communist coup in 1948. This act bound the state to fully reimburse the religious life of churches religious communities. It superseded previous legislation and allowed for the confiscation of church property. As a new solution is still being sought, which would allow the financial independence of

churches, this act, with certain amendments, is still in force. Church and religious leaders still await a permanent solution to the matter of restitution.

Table 2 Mandatory subsidies in 1999- 2003 (CZK thousand)

Entry	1999	2000	2001	2002	2003
Number of clergy	3 298	3 498	3 480	3 649	3 828
Wages	549 000	614 431	672 235	773 610	864 051
Clergy		571 290	627 234	728 801	818 101
Of which pay		422 825	464 618	540 145	606 000
Of which insurance		148 465	162 616	188 656	212 101
Administrative		43 141	45 001	44 809	45 950
Of which pay		31 813	33 334	33 193	34 000
Of which insurance		11 328	11 667	11 616	11 950
Other operating expenses	36 919	38 833	40 700	40 700	39 700
Maintenance of church property	20 913	12 029	24 745	25 300	25 300
TOTAL	606 832	665 293	737 680	839 610	929 051

Source: website of Ministry of Culture of the Czech Republic (<http://www.mkcr.cz/article.php?id=737>) on 30 July 2004

5.2 Other subsidies

Beside the mandatory subsidies, churches and religious communities, church attendant bodies and schools established by them can obtain other contributions from other chapters of state budget. The most important funding in recent years has flowed from the Czech Ministry of Education, Youth and Sport for the operation of schools, as well as the Ministry of Labour and Social Affairs to deal with social problems and the Ministry of Culture to protect landmarks, as can be seen in table 3, listing the amounts and changes in contributions from the various chapters.

Table 3 Other subsidies to churches and church schools in 1999–2003 (CZK thousand)

Chapter of state budget	1999	2000	2001	2002	2003
Ministry of Culture	264 004	160 773	137 205	104 645	54 452
Ministry of Education, Youth and Sport	398 823	427 364	507 539	539 985	623 998
Ministry of Labour and Social Affairs	312 699	342 120	517 582	477 030	611 841
Ministry of Health	2 529	2 288	2 850	4 421	4 898
Ministry of the Interior	0	0	0	1 003	1 624
Ministry of the Environment	104	126	161	930	414
Ministry of Agriculture	11	29	127	63	0
Ministry of Defence	0	130	0	2 171	767
TOTAL	978 171	932 830	1 165 463	1 130 249	1 297 994

Source: Central Register of Subsidies from the State Budget (http://cedr.mfcr.cz/cedr3_internet/home.asp) on 15 July 2004.

6 CONCLUSION

6.1 Data sources

- ✓ Existing sources of data contain information on churches and religious communities, and, with the exception of the Central Register of Subsidies from the State Budget, are easy to access and use.
- ✓ The Register of Churches and Religious Communities and the Register of Church Attendant Bodies provide high-quality data on the range and structure of this nonprofit sphere segment. Sufficient information is available on mandatory and other subsidies from the state budget to churches and religious communities and their attendant bodies, and also of subsidies to church schools. Data, however, on other sources of income, on the economic performances and property structures of churches and religious communities is not (with occasional exceptions) publicly accessible. To obtain this data should be the focus of future research.

- ✓ Similarly, we only know the numbers of employees (clergy and administrative staff) paid from the state budgets. No data is available on other employees. To find out about them would require collecting data from individual churches and religious communities.

6.2 Main findings

- ✓ According to the Population Census 2001, there were at that time 3.288 million believers in the Czech Republic, of whom more than 83% identified themselves as members of the Roman Catholic Church.
- ✓ In 2003 state budgets financed 3,828 clergy. For their pay and insurance, as well as the pay and insurance of administrative staff and other operating expenditure, a total of 929 million CZK was laid out by the state.
- ✓ In 2003 churches were granted operational subsidies of almost 1.3 billion CZK in total, of which 48 % (618 million CZK) went to registered church schools, 47 % (612 million CZK) to social services and 4 % (52 million CZK) to maintenance of religious heritage.
- ✓ Of 4,940 registered church attendant bodies as of 30th June 2004, 4,431 (90 %) were assemblies, parishes and communities and 232 (5 %) charities.