

From persecution to crisis and beyond: Catholic Church in Slovenia between 1990 and 2014

Reasons for failure

What can be said, with the benefit of hindsight, about the causes of this epochal disaster in which tens of thousands of fund holders lost their savings, citizens will pay hundreds of millions euro for the bail-out of the banks, one diocese lost all of its property, several dioceses lost millions, and, most importantly, the Catholic Church suffered immense damage to its credibility and moral prestige? The following remarks are based on author's personal experience, publicly available information, and private conversations with several persons who are knowledgeable of the problem.

"The relationship between the person, material goods, and the Church in the light of faith": this concise statement provides a useful key to understanding the problem. As treasurer of the diocese, Rev. Krašovec managed its property and is generally considered the mastermind of the ambitious plan to lay the material foundation for future activities of the diocese. At the end of the communist regime, during which the Church was severely limited in its activities and depended to some extent on donations from abroad, the diocese adopted a bold plan. Knowing that, unlike the Archdiocese of Ljubljana, it will not benefit from the restitution of confiscated property, the leadership in Maribor decided that they are going to create wealth in order to obtain a degree of economic independence. They became entrepreneurs.

There is no doubt that intentions were good. The Church needed funds for educational and pastoral projects. When he took over as archbishop in early 2011, Mons. Turnšek emphasized the fact that the protagonists did not enrich themselves personally. In this respect, the Archdiocese was indeed different from other cases in which owners or top managers sought to enrich themselves. However, one thing still seems to be missing in public statements by representatives of the Church in Slovenia: the realization that, as "men of the cloth", they were, fundamentally, in the wrong business. Priests, bishops, and religious institutions should not act as entrepreneurs. The Financial Times put it well: "...this was not a religious institution struggling to manage inherited wealth but a ruinous attempt at building a fortune from scratch."

The Financial Times identified three causes for Slovenia's current troubles: corporate cronyism, lax lending and a state that looms large over the economy. During the communist regime, Slovenians acquired a peculiar attitude toward productive property which, according to doctrine, belonged to the people. This situation favored a phenomenon akin to the "tragedy of commons": people sought to benefit as much as they could, knowing that the costs of their exploitation would be shared collectively. Their strategy was to drive the car without filling it with gas and servicing it. This attitude flourished in an environment of moral and legal relativism where political, economic, administrative, and judicial elites formed a closely knit group. It brought down a number of large corporations, not only the Archdiocese of Maribor. All were following the same script: The protagonists managed other people's (or state's) property and had close connections with politicians, law enforcement, and judiciary which made them feel immune from prosecution and punishment.

This was the environment into which the diocese entered as a major player, grasping the opportunity to emerge from the privatization process with a piece of the country's wealth under its control. Rev. Krašovec, who never expressed regret about that decision, conceded the following in the final months of his tenure: It may have been ill advised to join a game where fair play was not possible. In at least two aspects, the deck was stacked against the diocese. First, it lacked both economic know-how and professional, ethical managers. Good will and intentions are not enough; you need knowledgeable, skilled and ethical people who will implement the plan. These were in short supply in post-communist Slovenia. Second, Slovenia's reforms were gradual. The newly independent, democratic, market-oriented country's continuity with the anti-Catholic communist regime was never really broken. In this environment, the diocese was an outsider, it did not have the social capital needed to survive in conditions where personal and ideological ties outweigh the abstract (and impartial) rules of law and where the hand of the market is never invisible. In the aftermath of the catastrophe, several protagonists blamed hostile forces for the refusal by creditors to reprogram debts, asserting that the decision to let the diocese fail was motivated by political, rather than economic, considerations. Such claims, while impossible to verify, seem to contain a kernel of truth.

One thing is certain: the general culture, represented by the media and large social systems (education, culture, public administration), is not friendly to the Catholic church. Negative prejudices exist and are quite widely spread. On the other hand, among committed Catholics and especially among the clergy, one can detect traces of a victim mentality and a special sentiment of exceptionalism. During the decades of persecution, many priests and lay persons had to resort to clandestine – even illegal – behavior. In an attempt to make ends meet, they avoided paying unreasonable taxes and refused to obey hostile regulations. In order to protect themselves and others, priests often would not inform parishioners or bishops of their economic activities. This (legitimate) survival strategy gradually turned into a habit and was carried over to the new, democratic and free society where it became a liability. The case of Maribor is emblematic of this. Before 1990, the diocese was cheating the state. After 1990, it hid its projects from the Vatican, too.

Many lay Catholics, priests, and bishops took the collapse of the oppressive regime to mean that they won. This, by itself, is not a problem: after all, we should believe that Christ's message will prevail. It can become a problem to the extent that **they saw communism's defeat as victory, as vindication of a particular model of Church's presence in the state, specifically, the "Volkskirche" model** characteristic of Central-European countries before the revolution and secularization. It was a model that the older generation remembered and liked, not least of which was that the Church was respected and had social power. It should not come as surprise that there was no alternative model. For decades, the Church was struggling to survive, this was not the time for normal growth and development. For the decision-makers in the early 1990s, it was easier to fall back to the model they were familiar with than to develop a new model of how to be Church in Slovenia, post communism and post Vatican II. There was one problem however: this model had limited appeal. The majority of Slovenians either rejected it outright or were lukewarm about it. The Church did not win over people for the vision of a strong, financially independent social actor under the control of bishops and priests. Within a few short years, it was no longer perceived as a victim deserving of justice, compensation, and entitled to special status because of

its contributions to common good. Instead, it was seen as a self-interested player who is primarily interested in securing its own privileges and wealth.

After decades of living in the shadow, the protagonists in Maribor seemed to have **internalized the vices of opacity, lax governance, and evasion of laws and rules** governing economic activities. Rev. Krašovec was censured by the Holy See because he did not ask for required clearances for his financial transactions. He has been found guilty of misappropriation of E.U. funds in connection with one project which he oversaw. This was in part enabled by archbishop Kramberger's failure to supervise his treasurer. In fact, there was no meaningful oversight or control of economic activities of the Archdiocese. Persons who were appointed to supervisory bodies either were not independent, or they were incompetent. That such behavior was widely practiced and tolerated in Slovenia does not change the fact that it is evil. Now the Church is paying a heavy price for it.

What is next?

In the Church in Slovenia, there are three "narratives" of the disaster. First, the Church is an innocent victim of a perfect storm in which the global financial crisis coincided with the anti-Catholic sentiment among the Slovene elites. Few hold this position. Second, while the protagonists made serious mistakes that contributed to the failure, their endeavors were legitimate and valid. The main causes of failure are the financial crisis and unfriendly bankers-politicians. This seems to be the dominant narrative among bishops and priests who were at the helm of the Church between 1990 and 2013, and their supporters.¹ Third, the decision to seek economic security and social prestige was flawed to its core; indeed, it violates the gospel. This view is expressed by dissenting priests, religious, and many engaged lay Catholics.

The existence of competing narratives is not a cause for concern. Reality is often complex. What is troubling, though, is the absence of a comprehensive and authoritative account of the disaster. Neither the diocese, nor the Bishops' Conference, nor the Holy See produced a reconstruction and evaluation of the events. A number of businesses failed, hundreds of millions Euro evaporated, dioceses, parishes and individuals lost significant assets, a prominent priest and three archbishops were censured by the Holy See – without as much as an explanation. How can we learn from this tragedy if there is no agreement about what happened? This is in stark contrast to the "Limburg case" in Germany, where the Bishops' conference commissioned a thorough review and consequences were drawn in a transparent and public way. This failure to be transparent and to engage people breeds divisions and cynicism, prevents healing and erodes people's trust in ecclesiastical institutions.

¹ In the statement on the occasion of his appointment as the ordinary leader of the troubled archdiocese, archbishop Turnšek came furthest of all in publicly assuming "its share of responsibility for the failure of ZVONs" and in stating that the diocese's "manner of managing temporal goods was inadequate and would in the future be reformed. In this occasion, we learned once more that in matters of economy, the Church should behave as the rest of the world...". Available at <http://www.druzina.si/ICD/spletnastran.nsf/clanek/03.02.2011-31> (Note added on October 24, 2014.)

The new archbishops will need to send a clear message concerning this issue, and set direction for the Church in 21st century. Throughout the 1990s and in early 2000s, the public discourse was dominated by the twin issues of denationalization (restitution of property) and religious education in public schools, that is, by questions of economic and social power. The Church was relentlessly – and unfairly – painted as traitor due to its support for anti-communist resistance during World War II. Bishops and priests, emerging from decades-long imposed silence, failed to propose an organizational or pastoral model that better responded to the signs of time. Often, the pre-revolutionary model of a Church was uncritically adopted, a Church that is inseparable from the society in which it fulfills some key functions, for example, in the area of education, healthcare, and public morality.

Despite its failings, the Church is alive and well at the level of parishes and movements. The current crisis is an opportunity for the Church to redefine itself afresh as a community that evangelizes. When we see how even the best and most noble among us can be deceived by the “enemy of our human nature” (Ignatius Loyola), we are reminded of our fragility and our constant need of God’s mercy. Repairing broken structures, implementing sound, ethical, and transparent practices in management, as well as greater involvement of laity at all levels are but the beginning of the necessary transformation. It should aim at changing the culture which enabled the failure. The structures should support all faithful – bishops, priests, laity, religious – in their mission, not rule over them. Cardinal Marx’s words about the Vatican – *mutatis mutandis* – apply well to Slovenia: “The Curia is here to help local churches, which are not just Roman offshoots... It must no longer be possible for our faithful to regard the Vatican primarily as something negative. We must once again be able to be proud of our headquarters.”²

² Schwarz, Patrik. “Kardinaele: Wir herrschen nicht!” in *Die Zeit* 38/2013. Available at <http://www.zeit.de/2013/38/kardinal-reinhard-marx-berater-papst/seite-2> . Accessed on June 4, 2014