NATIONAL CATHOLIC REPORTER
Published on *National Catholic Reporter* (http://ncronline.org)

European austerity measures reach the Vatican budget

Alessandro Speciale Religion News Service | Dec. 19, 2012
Vatican City

The Vatican must adopt "effective" cost reduction measures in the wake of the global economic crisis, Pope Benedict XVI's No. 2 official warned Tuesday.

Cardinal Tarcisio Bertone, the Vatican's Secretary of State, told employees of the Holy See's budget department that, in the face of "continuing inability to increase revenues," a "gradual, but effective, reduction of costs" was needed to reduce recent budget deficits.

In 2011, the Holy See posted its highest loss in more than a decade, with a negative balance of $19 million, blaming it on the "negative trend of global financial markets."

The loss was compounded by a marked increase in expenses, which jumped by $37 million, while revenues registered only a slight increase.

In recent years, European countries have been forced to adopt drastic austerity measures in the face of a sluggish economic growth and rising debt. The Vatican, too, has been forced to walk down the same path.

This year's nativity scene in St. Peter's Square, which will be unveiled on Christmas Eve, cost around $ 160,000 in total, with only $29,000 paid by the Vatican itself and the rest covered by the Italian region of Basilicata.

This is a drastic savings compared to previous years. Documents that came to light during the Vatileaks affair showed that in 2009, the Vatican spent $730,000 for the St. Peter's creche.

The Vatican budget office, known as the Prefecture for the Economic Affairs, has been given vast new powers to oversee and control expenses in all Vatican departments and institutions. The new rules came into force last February but will be officially unveiled to the press Thursday.

The Prefecture's head, Italian Cardinal Giuseppe Versaldi, said Tuesday that "substantial improvements" in the Vatican's ability to raise money are not foreseeable in the near future. "The only solution is to reduce costs by planning a rationalization and optimization of current resources," he said.

Source URL (retrieved on *10/21/2014 - 23:57*): http://ncronline.org/news/vatican/european-austerity-measures-reach-vatican-budget