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### Regional Economic Impact of Small-Scale Pilgrimage Sites: Local Value Added by Small Sanctuaries in Rural Areas (Bavaria, Germany)

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Today, pilgrimage is experiencing increasing interest, although the reasons for doing so are changing. Locations along pilgrim routes and popular sacred sites, normally profit economically, but to date, the regional economic effects of even very small pilgrimage sites are underexplored. Therefore, in this regard, this study examines two small-scale pilgrimage sites in Biberbach and Wigratzbad (both in Bavaria, Germany), using interviews and calculations. We find that even small pilgrimage sites can produce a notable increase in regional EVA and create jobs through local businesses. There is much to suggest that this is not only due to demand, but also, and above all else, to the local supply structure.

Key Words: regional economy, pilgrimage, religious tourism, sacred sites, Germany.

#### Introduction

Pilgrimage sites are places for the worship of cult objects, such as relics and shrines. They have therefore always been the goal of pious people, which is why pilgrimages can also be seen as the 'oldest form of mass tourism' (Imkamp, 2010). The regional economic relevance of religious tourism is due ostensibly to appropriate infrastructure, such as restaurants, hotels or shops, at the sanctuaries themselves and along pilgrim routes. Therefore, it is not surprising that the regional economic importance of pilgrimage places was recognised very early. Since then, though, pilgrimage has changed, with the social transformations of the past 50 years especially having had profound effects. For instance, due to mass motorisation since the 1960s, the on-foot accessibility of sacred sites lost its importance and social secularisation led to a further loss of meaning for many local pilgrimages.

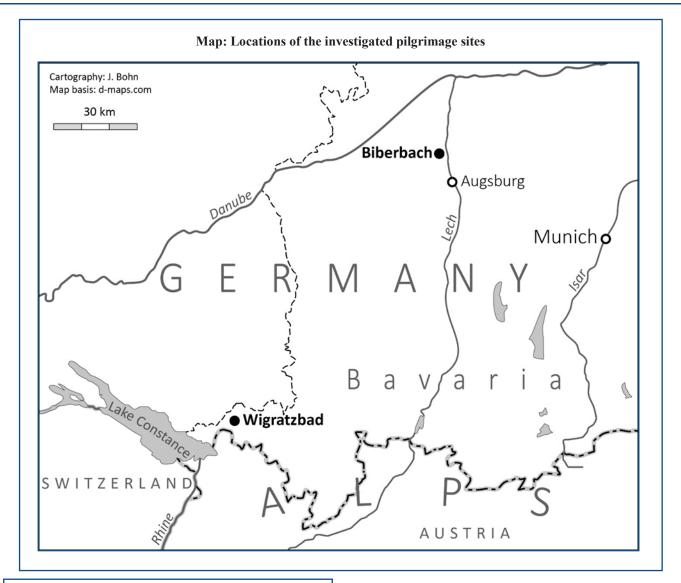
In the last few years, however, a growing interest in spirituality has been observed again (Rieger, 2007; Woodhead, 2016), which also affects pilgrimage. Nonetheless, a simple return to the past practice of pilgrimage is unlikely; rather, the postmodern phenomenon of the reorganisation of demand is observed (Mahne-Bieder and Hilpert, 2013). The motives behind visiting a place of pilgrimage today also include components from the fields of leisure, sport (e.g. hiking), recreation, culture, architecture and education (Duda, 2014; Marine-Roig, 2015). These secular motives offer good conditions for the integration of pilgrimage places into regional development strategies for rural areas. The economic impact of pilgrimage sites is seen mainly in local hotels, restaurants and shops; however, data on regional economic effects are only available for major places of pilgrimage, such as for Lourdes in France (Rinschede, 1985), not for smaller, rural areas.

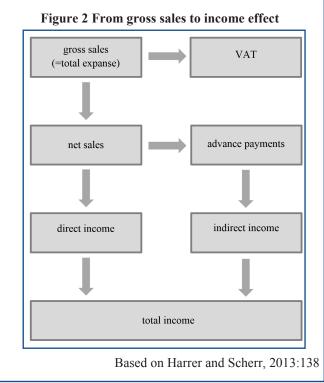
#### Methodology

For this field study, two small pilgrimage sites (see map) in rural areas of Bavaria (Germany) were selected:

- The small sanctuary of St. James, St. Laurentius and to the Holy Cross in Biberbach lies about 60 kilometres northwest of Munich. Here, 25 guests were interviewed in a preliminary study and 100 in the main study. Standardised questionnaires were used, asking about the expenditure of day guests. Overnight guests were not interviewed, because there were no places to stay.
- The place of worship in Wigratzbad is located close to Lake Constance on the northern edge of the Alps. Here, a total of 200 guests were interviewed about their expenditure, with 50 of them in the preliminary study. This sample represents about as many people as the small village of Wiegratzbad has inhabitants (see Table 1).

The regional added value of these two places of pilgrimage was calculated by examining the expenditure of visitors. This methodology (see Figure 2) was developed by the German Institute for Economic Research (DWIF) and has already been applied to tourist attractions (such as national parks). With this method, both direct and indirect income effects, as well as employment effects, can be calculated (Rütter *et al.*, 1996:6; Job & Metzler, 2003:29-46; Metzler, 2007:50-51).





# Case study I: the small church of pilgrimage in Biberbach

Biberbach is a small village in the north of Augsburg (Bavaria). The origin of the place of pilgrimage is a wooden crucifix that miraculously came to the local church. Since the pilgrimage church in Biberbach is also the main church of the Catholic parish, Holy Masses are regularly celebrated, but there is hardly any more on offer for pilgrims. There is no special programme of celebrations, processions or religious events, nor are there souvenir shops or hostels; instead, the church is known in the surrounding area for its Baroque art (Hilpert, 2014). This mixture of very few religious offerings but some historical art attractions is also reflected in the demographic nature of the visitors, so it is not surprising that on workdays, visitors to the church are almost exclusively tourists (Mahne-Bieder and Hilpert, 2013). As a result, from our survey, sightseeing of the Baroque church is most frequently mentioned as the main reason for the visit. In second

place is prayer, just before a trip with the family. Traditional reasons such as pilgrimage or confession come in last place. The average age of the visitors is almost 66 years, with those younger than 50 years totalling only 4% of the respondents. A little more than half (53%) of the visitors have not come from the local region, which shows the spatial significance of small sacred sites.

More than two out of three visitors (68%) do not spend any money in the village, before or after their visit to the pilgrimage church. This high proportion is explained by the rural structure of the village: there are no hostels and only one restaurant, and the only shop is closed on the main pilgrimage days (Saturday afternoon and all-day Sunday). Because of the limited possibilities of consumption, only one-third of the visitors (32%) spend money outside the pilgrimage church, which is exclusively on local gastronomy. The daily total expenditure of all 100 respondents together is €295.50, which corresponds to an average daily total of €2.96 per person. If only visitors who spend money are considered (32%), the average value is €9.23 per person.

Every year, around 10,000 visitors travel to the small pilgrimage church, which results in gross sales of €29,600 as a result of the calculated daily expenditure (€2.96). If VAT is deducted from this figure, a net turnover of €23,976 remains. According to the sectorspecific value-added ratio for gastronomy in Germany (45%) (Maschke, 2005), the income effects of the first turnover level are €10,789. Expenditure to the amount of €13,187 will be charged for advance payment. The second stage of sales includes all indirect income effects, based on the advance payment, which results from the advance payment that is required to provide the tourist service. These include, for example, the supply of goods (e.g. bakery products for retail trade, electricity from the energy supplier), the provision of services (e.g. brochures for advertising, insurance companies, bank loans) or investments for substance maintenance (new construction or renovation work by craftsmen) (Metzler, 2007:53). The DWIF's valueadded ratio is assumed to be 30% for the calculation of the income effects of the second turnover stage, which then amounts to €3,956. As a result, the total income effect amounts to €14,745. The estimate of the employment effects of the small pilgrimage church is based on the regional average income, according to which, a mathematical equivalent of 0.52 jobs is generated.

#### Interim Conclusion

All money spent by the approximately 10,000 visitors to the pilgrimage church goes to the local restaurant. With the exception of taxes, around  $\notin$ 24,000 will remain in the regional economy as net sales. After deducting advance payments, the final direct income is around  $\notin$ 10,800. On the second turnover stage, an income of almost  $\notin$ 4,000 is generated. The total value added of around  $\notin$ 14,800 is thus available to the local restaurant as profit or wages, which results mathematically in an employment equivalent of about 0.5 jobs created by the pilgrimage church.

#### Case study II: The place of worship in Wigratzbad

Wigratzbad is a place of worship in southern Bavaria with an extensive offer for pilgrims. There is a church and several chapels, pilgrim shops, a hotel, restaurants, a seminar house and even a Catholic TV station. There is also a large programme of Holy Masses, devotions, processions, retreats and meditation days. The place of worship is therefore relatively well known.

About two-thirds of the visitors are female (66.5%), and their average age is 58 years (men - 61 years). Over half of the visitors (61%) visit Wigratzbad to attend a church service. Other frequent reasons for visiting are prayer (35%) and confession (16%). Since the place of worship is also known beyond the region, many guests come from further afield, so it is not surprising that many guests (78%) stay overnight, mostly only for one (53%), two (16%) or three (16%) nights. What is striking at this site are the different aspects of day guests and overnight guests.

Day guests, on average, spend  $\notin 20.06$  per day per head, especially for purchases ( $\notin 8.76$ ), mostly devotional items in the pilgrim shop, and gastronomy (8.34  $\notin$ ). Only a small proportion of their money is spent on seminars / retreats ( $\notin 1.64$ ) or on transport ( $\notin 1.33$ ) (Wagner, 2017:42-43).

Much higher is the expenditure of overnight guests. On average, they spend  $\in 68.01$  per day per head. Almost half of them are extras for the night ( $\in 31.26$ ). Overnight guests also spend more on gastronomy ( $\in 18.66$ ), transport ( $\in 6.67$ ) and seminars / retreats ( $\in 3.24$ ). Only on purchases ( $\in 6.67$ ) do overnight guests spend less than the day guests (Wagner, 2017:43).

Every year, around 15,000 travellers visit the small place of worship in Wigratzbad. Based on the calculated daily expenditure figures above, this results in gross sales of  $\notin$ 431,005. If VAT ( $\notin$ 61,953) is deducted from this sum, a net turnover of  $\notin$ 369,082 remains. Expenditure to the amount of  $\notin$ 259,612 will be charged for advance payment. According to the sector-specific value-added ratio for gastronomy in Germany, the income effects of the first turnover level are  $\notin$ 109,470, while the income effects of the second turnover stage amount to  $\notin$ 77,884. As a result, the total income effect amounts to  $\notin$ 187,353. The estimated employment effect of the small place of worship is therefore 6.6 jobs (Wagner, 2017:47).

#### Interim Conclusion

Money spent by the approximately 15,000 visitors to the pilgrimage church goes to local restaurants as well as hotels, local shops, transport and various seminar offerings. With the exception of taxes, around  $\in$ 339,000 remains each year in the regional economy as net sales. After deducting advance payments, the final direct income is around  $\in$ 109,500. On the second turnover stage, an income of almost  $\in$ 78,000 is generated. The total value added of around  $\in$ 187,000 is thus available to local business as profits or wages. This results mathematically in an employment equivalent of about 6.6 jobs created by the small place of worship.

#### Summary

On the local level, the economic effects of small sites of pilgrimage have not been explored in detail to date, but with a so-called 'touristic added value study', some economic effects of small-scale sacred places can be identified by using case studies.

The average spending of daytrip travellers in Bavaria is  $\notin 29.00$  (Harrer and Scherr, 2013:97). In comparison, the daily expenditure in Wigratzbad ( $\notin 20.00$ ) and especially in Biberbach ( $\notin 3.00$ ) per capita is rather low. In addition, the expenditure of overnight guests is

comparatively low in Wigratzbad ( $\notin 68.00$  per day), because the average spending in Germany is  $\notin 116.00$ . Accordingly, religious tourists spend considerably less at small places of pilgrimage than the touristic average.

The little-known pilgrimage church in Biberbach has only a limited liturgical offer for pilgrims, and therefore it is often just a milestone on a trip. Other attractions, such as museums or tourist facilities, which could increase the number of visitors, the length of stay and expenditure, are not there either. Against this background, however, the annual income effects do not seem so small. In any case, the local economy benefits from the small pilgrimage site.

Although the number of visitors in Wigratzbad is only slightly greater than in Biberbach, the effect of the much larger selection of facilities (restaurants, hostels, shops, etc.) is evident here: although visitor expenditure is below average spending by tourists in Germany, the small place of worship contributes significantly to the added value of this rural village. The equivalent of 6.6 jobs resulting from the pilgrimage is remarkable for such a small sacred place, especially taking into account that the village of Wigratzbad has only 250 inhabitants.

Obviously, supply infrastructure, i.e. the opportunity for visitors to spend money, seems to have a significant impact on the regional economic effect of small pilgrimage sites. Due to its specific supply structure, Wigratzbad manages to keep 86% of its gross premium income at the local level, and overall, public authorities gain almost €62,000.00 value-added taxes each year (Wagner, 2017:II). Therefore, the place of pilgrimage at Wigratzbad makes an important contribution to the local and the regional added value in this rural area.

In conclusion, even small pilgrimage sites in rural areas can contribute to a significant increase in regional value added and to job creation.

| Table 1 : Synopsis of local results             |            |   |
|---|------------|---|
|   | Biberbach  | Wigratzbad  |
| Population                                      | 1,900      | 250   |
| Estimated number of visitors (per year)         | 10,000     | 15,000  |
| Spending of day visitors (per day and head)     | €3         | €20   |
| Spending of overnight guests (per day and head) |            | €68   |
| Possibilities for expenditure                   | restaurant | restaurants, overnight stay, local shops, pilgrim shop, seminars / retreats, etc. |
| Gross sales (per year)                          | €30,000    | €431,000  |
| Income effect (per year)                        | €15,000    | €187,000  |
| Employment equivalent (jobs)                    | 0.5        | 6.6   |

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