



JEAN-CLAUDE JUNCKER AND THE CATALAN CRISIS

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In politics, it is usual that things are not as they first appear. A dispute about the constitutional status of a region of Spain may transpire to have its origins in a crisis about the way the European Union is managed. A politician with a reputation for scandal at the top of the European Union may turn out to be an important factor in determining the trajectory of the Catalan autonomy movement.

Jean-Claude Juncker, one of the most outspoken critics of Catalan autonomy, is the President of the European Commission. He took up this post in 2014. Before then, he had the most unusual career. He was Prime Minister of Luxembourg for 18 years from 1995 to 2013. He is the longest-serving European prime minister of modern times (if one discounts fascist dictators such as Spain's Francisco Franco). He was the Luxembourg Finance Minister for even longer: from 1989 to 2013. When he was Prime Minister, held the second most important position in the Luxembourg government simultaneously.

From 2005 to 2013 Juncker was simultaneously President of Eurogroup, an informal but powerful meeting of the Eurozone's finance ministers. In 2006 he was also President of the European Council (hence holding four jobs at the same time). Mr Juncker has always liked to keep himself busy. He is one of the hardest-working members of the European bureaucracy, but he is also known as one of the most informal.

Juncker is accused of having been very drunk at several international meetings. He has been undiplomatic and intensely rude to European leaders. Incidents including slapping one in the face, calling another fat, kissing the bald forehead of a third, strangling a fourth and calling a fifth a dictator (the leader was a democratically elected member of Hungary, an EU member state). The man does many things that one might consider beneath the standards appropriate to a western European politician. This behaviour comes from a Luxembourger: one of the politest nations in Europe. Why does anyone put up with it?

Juncker has been repeatedly mired in scandal. He resigned as Prime Minister of Luxembourg amidst a scandal in which the Luxembourg intelligence services were discovered to have been wire-tapping the Grand Duke of Luxembourg. Then he was involved in a tax haven scandal, in which it emerged that European companies had been relocating to Luxembourg under his watch as finance minister. They had thereby reduced their corporation taxes to as little as 1%, even though they had no substantial connections with Luxembourg.

Juncker is a member of the Christian Social People's Party (CSV), by far the dominant political party in Luxembourg since World War II. There is something strange about Luxembourg politics. If you have been a CSV Prime Minister of Luxembourg and you lose office or fall into disgrace, you may soon become President of the European Commission. The amount of time occupied by CSV

ex-Prime Ministers as Presidents of the European Commission is remarkable in its comparison to the time occupied by all the other (non-Luxembourger) Presidents of the Commission added together.

Juncker has taken uncompromising positions on the Catalan nationalist movement, but he did not always do this. On 14 September 2017, he declared that the European Union would respect the outcome of the Catalan independence referendum to be held on 1 October 2017. Nevertheless he asserted that Catalonia would have to apply to rejoin the European Union as a separate member state. This was not an unreasonable position.

By 13 October 2017, Juncker had changed his position. Now he said that Catalonia absolutely must not become independent. That is because, he explained, the European Union would become too complex to govern if it were full of small countries. Such a protest rings hollow coming from the former Prime Minister of the European Union's smallest country, with a population of barely 400,000 people. Catalonia is closer to 8 million: a far more credible prospect for EU membership by Juncker's standards than Luxembourg. Luxembourg has the highest GDP per capita of any country in the European Union. That may be because by a long way Luxembourg is the biggest tax haven in the EU. This would be thanks to Juncker's controversial work establishing it as the principal centre for European tax avoidance. Nevertheless his opposition to Catalonian autonomy is hypocritical.

On 26 October 2017 Juncker said that there were no human rights abuses by the Spanish state in Catalonia. He said this even though video had been aired showing paramilitary Police under the control of Madrid, beating voters and confiscating ballot boxes. He said this even though peaceful democratic politicians have been imprisoned without charge by courts based in Madrid under the control of a political party with origins in the fascist regime of Francisco Franco. On 10 November 2017 Juncker described Catalan nationalism as "poison". On 19 November 2017 he said he unequivocally supported Madrid in the Catalan autonomy dispute. Madrid should be locking up peaceful democrats and the Police should be beating voters. Everyone should vote for Rajoy's proxy parties in the forthcoming 21 December 2017 Catalan regional elections.

We need to investigate why Mr Juncker has adopted these opinions, and why they are so different from what he said before.

Under Juncker's Presidency, the European Commission has been funding one of Catalonia's recently-emergent political parties, Ciudadanos, that Mr Juncker now supports. Ciudadanos is a relatively new anti-independence Catalan political party. Commission funds have likewise been channelled towards a management consultancy company asserting that it is a specialist in public administration reform. This entity was involved in the authorship of a controversial 2013 public administration report. That report was prepared by the Spanish Ministry of Economy and advocated structural reorganisation of the Catalan public administration to withdraw Catalan regional autonomy powers to Madrid. This report was first commissioned under Mr Juncker's predecessor as Commission President, Jacques Santer, before Mr Santer (and his entire Commission) were forced to resign in the face of a corruption scandal. Mr Santer was previously CSV Prime Minister of Luxembourg for eleven years.

One might be surprised to learn that European Commission funds are being used to fund political parties or politically-charged proposals for constitutional reform in member states. That might seem all the more surprising in the context of Mr Juncker's multiple recent assertions that the Catalan crisis is internal to Spain, and hence the European Union has no proper role in it. But the European Union has been undertaking a role in this crisis. It has been funding a political party that takes an explicit position upon the question of Catalan independence. It has been funding policy advocacy documents that argue for elimination of at least some of the precepts of Catalan autonomy enshrined within Spain's delicate constitutional arrangements with its regions.

The way these funds have been channelled is through the European Regional Development Fund. This is a branch of one of the Directorates-General of the European Commission, falling under Mr Juncker's responsibility, known as "DG-REGIO". The stated purpose of the fund is to promote development in Europe's regions. The Fund is intended, on paper at least, to serve as a vehicle for subsidies from Europe's wealthier regions to its poorer ones, to promote development objectives. One of its less controversial achievements is the development of infrastructure, such as motorways leading to remote communities.

The Fund is massive. Although reliable figures are hard to establish amidst the obscure accounting practices of the European Commission, it is estimated that the Fund accounts for one-third of the EU's budget. It is believed that the size of European Regional Development Fund moneys allocated to Spain is approximately EUR 6 billion per annum. That is roughly the budget of the Spanish Ministry of Economy, the sole domestic managing agent for European Regional Development Fund moneys destined for Spain. It is the task of the Ministry of Economy in Madrid to manage these funds through a series of regional agencies. It is not clear that the Spanish Ministry of Economy has any other functions of substance. The Director-General within the Commission responsible for the operation of the European Regional Development Fund, Marc Lemaître, is from Luxembourg. His political career (CSV, although he was never formally a party member) is closely intertwined with that of Jean-Claude Juncker.

The Spanish Minister of Economy, Luis de Guindos, is Juncker's close personal friend and his political ally in Eurogroup and elsewhere. De Guindos is the only person to have held the post of Minister of Economy under current Spanish Prime Minister Mariano Rajoy of the Partido Popular, a political party with Francoist origins. The Ministry run by De Guindos did not exist under the prior Socialist government of Prime Minister José Luis Rodríguez Zapatero. Zapatero's government was comparatively pro-Catalan. It negotiated a new constitutional regime for Catalonia in 2006, that Rajoy subsequently decimated before Spain's Constitutional Court. This Court is dominated by Judges aligned with Rajoy's political party.

After Rajoy's Constitutional Court decision against Catalonia in 2010, the 2011 Spanish general election saw Rajoy come to power as Prime Minister in Madrid. The support of Rajoy's Partido Popular in a 2013 European Parliament vote was decisive in procuring Juncker's election as President of the European Commission. De Guindos, Rajoy's close domestic ally, went to the secretive 2017 elite Bilderberg meeting with the President of Ciudadanos Albert Rivera and Jean-Claude Juncker. Juncker pushed De Guindos to be the next head of Eurogroup after Juncker's resignation, but other EU member states were opposed. De Guindos has a reputation for scandal involving maladministration.

The way EU funds are siphoned off for political purposes in Catalonia, when they should not be, appears to be as follows. The Spanish Ministry of the Economy finances, as one of its regional implementing agencies for the European Regional Development Fund, an organisation called "CTP", Comunidad de Trabajo de los Pirineos. This means "Working Community of the Pyrenees": a mostly meaningless expression. CTP is an obscure nongovernmental organisation that pretends (although it is not) to be an association of regional government agencies in France, Spain and Andorra. It could not be what it pretends to be, because Andorra is not in the European Union. In practice CTP operates as an implementing agency for disbursement of European Regional Development Fund monies for the Spanish Ministry of Economy. It has no other clear function of value. Curiously, its registered office is in a historical tower in the small town of Jaca in the province of Aragon in northern Spain. This historical tower operates exclusively as a museum. The tower is a tourist attraction for fascist tourists, because it is associated with the Spanish fascist regime of Francisco Franco.

CTP then disburses funds to an organisation called "POCTEFA". This stands for Programa INTERREG V-A España-Francia-Andorra. The legal nature of this organisation is likewise obscure. It pretends to be an EU institution, but it is not. It cannot be an EU institution, because Andorra is not in the European Union. Although POCTEFA's website has no address, its telephone numbers are the same as those for CTP. POCTEFA apparently serves little ostensible purpose save to add an extra level of opacity for those seeking to trace the destination of money coming from the EU Regional Development Fund.

In turn, POCTEFA makes substantial grants to a so-called public sector management consultancy called Daleph. This is a strange name for a management consultancy. The word is from ancient Biblical Hebrew, whose meaning approximates to "Revenge by the Sword". This imagery may be associated with the dictatorship of Francisco Franco. At least one of Daleph's directors has associations with the Franco family. Daleph asserts that it has offices in Madrid, Barcelona and Jerez de la Frontera, a small city in southwestern Spain. We should investigate the connection of this firm with Ciudadanos, the Catalan so-called anti-nationalist political party that serves as a proxy party for Mariano Rajoy's Partido Popular in Catalonia. Ciudadanos is electorally necessary in Catalonia because Partido Popular is intensely unpopular. Ciudadanos does not publish detailed accounts and does not reveal how many people it employs or how much it pays them. Albert Rivera lives a luxury lifestyle inconsistent with being the leader of a modest minority regional political party.

Inés Arrimadas, the youthful law school-educated de facto leader of Ciudadanos, was born in Jerez de la Frontera and spent six years working at Daleph. Her father was an anti-regionalist politician under the dictatorship of Francisco Franco. The de jure leader of Ciudadanos Albert Rivera appears nude in electioneering materials and accompanied De Guindos and Juncker to Bilderberg. In practice he does not run Ciudadanos save to serve as a figurehead. One of the original political organisations that developed into the political party now known as Ciudadanos was a minute local institution called Ciudadanos de Sanlúcar de Barrameda ("CIS"). CIS was headed by an obscure politician formerly associated with Rajoy's Partido Popular and its predecessor party, headed by a Franco-era Minister of the Interior. That politician ultimately became an anti-regionalist kingmaker in the provincial politics of southwestern Spain. Sanlúcar is a small town close to Jerez. Daleph is one of the authors of the 2013 Spanish Ministry of the Economy report, advocating reform of Catalan public institutions to return the authority of Catalan regional autonomous institutions to Madrid.

The EU funds disbursed by POCTEFA to Daleph, transmitted through an obscure bank in respect of which a senior executive of Daleph is also a senior executive of the bank, are in the order of many millions of Euros. They are substantially larger than many of the other grants made by POCTEFA. These funds are said to be for the purposes of arts and culture. Running a for-profit management consultancy working in constitutionally controversial public-sector restructuring is not arts and culture. Funding a political party is not arts and culture. These are political activities, the funding of which from European Commission funds is restricted by European Union law. Another recipient of POCTEFA funds is the University of Navarra. Billed as Spain's top private university, the University of Navarra is run by Opus Dei within a legal framework that is extraordinary for its opacity. Luis de Guindos is a senior member of Opus Dei.

This is corruption. I have studied a number of electoral systems in divided societies. This is a scheme of electoral corruption. To establish all the details, and the precise scope of each affected person's moral and legal culpability, will require a substantial judicial enquiry. The Spanish legal system has not proven itself adept in investigating massive state corruption. The Gürtel and Bárcenas affairs have revealed that. But there must be a judicial enquiry into these matters. There are so many things that smell bad here, that the highest levels of independent judicial enquiry should be undertaken within both Madrid and Brussels.

If Juncker's European Commission has been funding partisan politics in Catalonia, then it is no surprise that Juncker has adopted the positions he has in regard to the Catalan autonomy movement and the forthcoming Catalan elections. He is responsible for oversight of an EU funding institution that is interfering illegitimately in the forthcoming Catalan regional elections and in Spanish politics. He should not be doing this. Someone may have reminded him of what the European Regional Development Fund, working through the Spanish ministry operated as a personal fiefdom by his friend Luis de Guindos, has been doing. That may have explained his dramatic change in position on the Catalan crisis. Irrespective, the European Union should not be interfering in democratic processes within an EU member state by misusing EU taxpayers' funds.

On 21 December 2017, the people of Catalonia vote. One of the parties they are able to vote for is Ciudadanos. They must decide whether this would be a good way for them to exercise their votes. The corruption can be cleaned up afterwards. For now, Catalonia needs a fair election. The people of Catalonia must vote, and they must vote with their good consciences.

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This is the sixth in a series of articles written by Parish about the crisis in Catalonia. The first five are **Reflection on the Catalan Conundrum**; **Catalan Independence**; **Sequestering Catalonia**; **Catalonia Suppressed**; and **Catalonia Votes**.