

Social negotiations, reform of AFP's statute, Franaix subsidiary

Whither AFP?



Important projects that impact how Agence France-Presse functions and the work conditions and benefits of its staff are underway. Nobody can afford to remain indifferent to the proposed changes that will affect us all. With the trade union elections now over, SUD intends to honor its commitments: to keep you informed so that you can form your own opinions and to encouraging everyone to act together to seek alternatives.

It's all about money

Those behind the latest projects often justify them with arguments like technical progress, the supposed obsolescence of the agreements and laws that regulate AFP's operations or problems of governance.

These issues merit reflection which could lead to changes. But after a closer look, it is AFP's financing that is at the heart of the proposals. And of course they would have important consequences in the areas of investment, operating expenses, jobs, salaries, career opportunities...

An inventory of projects underway

The Aims and Means Contract for 2014-2018 (COM-3) being negotiated with the government breaks with a fundamental tenet of the previous contracts -- that the state guaranteed AFP a small but steady increase in funding. Under COM-2, the state funding for AFP's operating expenses increased by 1.8 percent annually during the 2009-2013 period.

In the coming years, the increase in state funding is due to gradually disappear.¹ According to figures in the government's draft 2015 budget, currently being debated by Parliament, there would be a 1.6 percent increase in 2015 that would drop to 0.6 percent in 2016 and 0.3 percent in 2017. The result: AFP will have to find other sources to replace revenues we normally would have received from the state.

The 2014-2018 Development Plan presented by CEO Emmanuel Hoog, according to him, would permit AFP to "*develop in a context of crisis*". Without explicitly acknowledging the reduction in expected state funding, the plan nevertheless attempts to compensate for it, stating that "*for the years 2014 to 2018 the goal is to achieve average annual commercial sales growth of 2 to 2.5%*."²

The creation of a "technical subsidiary", proposed by the lawmaker Michel Franaix, responds to another aspect of the state's disengagement: from AFP's investment budget, which was previously supported by subsidies and direct aid from the state.

While fears that the creation of the subsidiary would be a precursor to outsourcing AFP's technical services and its employees are founded, its primary objective is to facilitate the introduction of a new financial model for AFP. The subsidiary would allow for the financing of investments into AFP that would be both compatible with European regulations and would cut government spending.

The Franaix bill foresees modifying AFP's 1957 Statute in order to settle the EU investigation into illegal state aid and escape sanctions. The main change is that AFP would be explicitly authorized—and indeed compelled—to undertake activities that do not fall under the Public Interest

¹ See our statement in English dated October 3: <http://www.sud-afp.org/spip.php?article299>

² Development plan (Fr., Intranet only): <http://u.afp.com/u5g>

Mission laid out in the first two articles of its statutes.³

The new social contract advocated by the CEO responds to a real need insofar as it aims to achieve "*clear, coherent and equitable social and legal principles*" for AFP staff relations. In this sense, it in fact responds to one of SUD's longstanding demands. On closer examination, however, the project's expressed aims in the social sphere are contradicted by its economic objectives.⁴

These projects complement one another and converge towards the same objective: to increase sales and curb staff costs in a bid to compensate for the gradual reduction in financial support from the state.

A model neither viable nor desirable

Is this really a "*historic opportunity*", the only path possible to "*break the deadlock*" and ensure the future of the agency, as some say? Even if many questions remain, from what we do know there are ample reasons for serious scepticism about the viability of this proposed new financial model for AFP.

- The CEO still has not answered the key question: how will AFP be able to increase its sales by 2 percent or more each year, much more than the growth rate forecast for France and many of the world's advanced economies? What makes this a credible figure when AFP's sales *declined* by 2.3 percent in 2013?
- Commercial sales risk falling short of the target, meaning that management will have to make cuts to operating expenses and/or wages. That is why the management wants to urgently open talks on a new social contract -- it offers the opportunity to make further savings at the expense of staff.
- We are still in the dark about the specifics of the investment or technical subsidiary, which in fact could turn out to be more like a "*debt subsidiary*".

In addition to our strong reservations about the viability of these projects, they are above all undesirable as they run counter to the founding principles of the agency and the social and democratic interests of its staff. The projects threaten all three essential pillars of the agency: its public interest mission, its structural unity, and the unity of its staff.

Defend the public interest mission!

AFP is a public interest mission and nothing but a public interest mission: that is the sense of the first two articles of its 1957 Statute, which requires the agency to "*provide French and foreign users with exact, impartial and trustworthy information on a regular and uninterrupted basis*".⁵

During the past decades management has veered from those principles, launching activities that do not conform to the Statute: the partnerships with the Relaxnews⁶ or Paris Modes⁷ companies, the ill-starred Newzrag quiz on Facebook... The plug was pulled on several new "products" after costly commercial failures. Projects that do not relate to our founding statute risk not only financial losses -- they can lead to the loss of our reputation and independence.

Without even bothering with an assessment of these activities, the Françaix bill would legalize their existence and permit their further development. **Why gut the first two articles of AFP's Statute?**

³ Cf. our statement in English issued on Sept. 29: <http://www.sud-afp.org/spip.php?article297>

⁴ See our statement on "*Union-Management Talks*", Oct. 16: <http://www.sud-afp.org/spip.php?article305>

⁵ For a full translation of AFP's statutes into English, see <http://www.sos-afp.org/en/statutes>

⁶ AFP Relaxnews: <http://www.afprelaxnews.com/>

⁷ Paris Modes: <http://www.youtube.com/user/ParisModesen>

First of all, if boosting commercial sales by 2 percent per year is already more than ambitious, it becomes even more unrealistic if it has to be done by selling only information that meets our traditional standards. Hence the urgency to "*diversify*" and offer services such as custom-tailored information to serve particular clients (companies such as Orange or RTL, or ideological, political or economic groups such as the European Commission, the main client of the AFP-Services⁸ subsidiary).

The other reason for such a radical break is competition laws, which Paris and Brussels want to impose on all sectors of society, including culture and news. This is the law of free markets, and anything that impinges on free markets is to be considered an exception.

In particular, the European Commission has authorized the French state to finance a part of AFP's operating costs -- to compensate for the costs of carrying out the public interest mission that cannot be covered by commercial sales. But this public interest mission is recognized only for a limited period (10 years) and within certain limits: AFP is being pushed to develop activities that do not relate to its public interest mission and to spin them off into subsidiaries.⁹

The outcome is that **it is prohibited for AFP to build a real international development strategy based on what it does under its public interest mission** because it does not have the right to utilize aid from the French state to compete abroad with national agencies.

What was possible in the 1980s when the German or the International Photo service were launched would now be impossible due to the prohibition on "*cross subsidies*".

This undermining of AFP's founding principles is the result of political decisions, which can, and should, be fought.

Carved up like a Thanksgiving turkey

The only francophone global news agency, AFP derives its strength from its founding statute which states that the agency shall "*under no circumstances fall under the control, either de facto or de jure, of any ideological, political or economic grouping*". That is what differentiates us from our main competitors. But in creating subsidiaries that do not benefit from the same protection from undue influences, notably financial, AFP puts at risk its core asset -- independence.

If economic dogma today forces AFP to amputate its German service¹⁰ (excluding it from the public interest mission) then other services will follow and the agency will find itself carved up like a Thanksgiving turkey.

- Spinning off activities that fall under the agency's public interest mission as defined in the first two articles of its Statute would result in the weakening of AFP's editorial, technical and administrative independence.
- Launching activities that do not fall under its public interest mission, even if they are placed in a subsidiary, also weakens AFP as they damage its brand image and credibility.

Who can accept such a future?

Defend staff unity!

The high turnout in the election of staff representatives to AFP's Board of Governors shows that employees want a voice in the development of the agency. The staff of the German service were the

⁸ AFP Services: <http://www.afp.com/en/agency/subsidiaries/afp-services>

⁹ See our September 15th statement, "*Why so much secrecy?*": <http://www.sud-afp.org/spip.php?article284>

¹⁰ AFP GMBH: <http://www.afp.com/de>

main group excluded from that poll, the only truly global staff election in AFP. Whose turn will it be next?

Management already exploits all too often the different statuses of employees under French and local contracts. Expatriate posts being converted into local posts, those in a precarious position are offered local contracts or jobs in subsidiaries. More than a year after having been hired by AFP-Services, journalists on short term (CDD) contracts still don't have their press cards.

Subsidiarization deprives the staff concerned of the social, democratic and professional rights that they enjoy when they have full status as part of the parent company. It thereby sets one category of employees against another, on the age-old principle of "*divide and rule*".

That is why it is in the interests of staff to oppose the creation of subsidiaries.

Defending AFP: a question of determination

Everyone knows that the modern-day AFP was created thanks to the political will of French legislators. But its development and survival as a global news agency is clearly the result of the efforts and commitment of its employees. However those efforts are not enough to ensure AFP its global status: 40 percent of its annual revenues are from the French taxpayer.

No one is accusing the government of wanting to kill AFP: the disengagement is for the moment gradual. But the projects being put into place go in the wrong direction. The attack the agency's most precious asset -- its staff -- requiring them to make more and more sacrifices. And they sap the ability of the agency to carry out its public interest mission.

The current projects are the product of a lack of determination on the part of both AFP's management and French policymakers to defend the agency's mission at a time when all social and democratic gains in France, many dating back to fundamental rights defined by the post-World War II National Council of the Resistance, are being called into question.

However AFP's employees have always risen to the occasion and defended the agency's founding principles. Even in the most desperate moments, such as in 2011 when faced with the Hoog-Legendre bill, we ended up victorious.¹¹

Today as yesterday, other possibilities exist -- if we are willing to fight for them.

- **SUD is counting on AFP's staff to push the trade unions and the new elected members of the Board of Governors and Works Council to rise to their responsibilities and resist these projects.**
- **Now is not the time for mere "critical support" or lobbying to win small concessions; we must create a broad opposition movement**
- **SUD-AFP, allied to the Solidaires trade union, will take part in the necessary mobilization to defend AFP and the interests of its staff from the spin-off plans, the disengagement of the state under the 2014-2018 COM, the Francaix bill, the draft 2015 budget and austerity policies generally.**

Paris, November 17, 2014

SUD-AFP Trade Union (Solidarity – Unity – Democracy)



¹¹ For more info on the fight to save AFP's statutes, see the SOS-AFP web site. http://www.sos-afp.org/en/new_storm.