

## Neighboring rights:

# A new *ersatz* salary that poses many problems



**Negotiations on sharing the neighboring rights** paid to AFP by platforms were opened on January 10, 2022. These negotiations follow the deal signed on November 11, 2021 by our CEO Fabrice Fries with Google and the annual wage talks (NAO) for 2021, which were marked by the *refusal* of management to substantially increase our wage scales to compensate for inflation. Instead, mollifying unions with vague promises of more money via *profit-sharing* and a part of neighboring rights funds<sup>1</sup>.

**SUD doesn't share management's enthusiasm for partnerships and deals with Facebook, Google and other platforms.** Here is some information and our reflections ahead of the next negotiating session scheduled for February 2.

## An opaque Google deal

Based on the EU directive of April 17, 2019 and the French law of July 24, 2019, the CEO signed an agreement with Google under which the tech giant recognizes and remunerates neighboring rights on AFP's information that appears on its platform. "*This is a pioneering agreement. We are not only the first agency to sign such an agreement but we will also become the first media in Europe to succeed in being paid for a deal that clearly defines our neighboring rights and does not mix up copyright payments with commercial services,*" management said in a statement.

### What do we know ?

- **The accord was signed for a five-year period, but the amount was not disclosed**, as Google *insisted* upon a confidentiality clause, according to Mr. Fries.
- **The accord is a Trojan horse.** In addition to the agreement on neighboring rights, it also includes a commercial deal on *fact-checking training* and another on the development of *new visual storytelling formats specifically developed for mobile*.
- **It is a deal between unequals:** David AFP, whose commercial revenues totaled around **€164 million** in 2020, and the Goliath Google which took in **\$182 billion** (€160 bn)!
- **The deal preserves and protects Google's domination.** It faces newspapers and agencies which are divided. Confidentiality clauses allow Google to hide the *insignificant amount it is paying in neighboring rights* in comparison with the advertising revenue it has siphoned off from media, not to mention the taxes it has been able to escape paying in many countries.
- **AFP's CEO is managing everything opaquely.** While Mr. Fries promised transparency when he arrived in 2018, he constantly hides behind *business secrets* to dodge disclosing important information, such as making the amount of his salary public<sup>2</sup>, the fog around AFP's finances and the restructuring of its public subsidy as required by the EU in 2024/2025. SUD had to seize a special government commission to obtain the *Aims and Means Contract* for 2019-2023 that AFP signed with the French



Partners unmasked! The director of Google France and AFP's CEO. Photo from a document provided to the CSE.

<sup>1</sup> See our statement <https://www.sud-afp.org/spip.php?article653>

<sup>2</sup> "Transparency: The CEO's salary, a well-protected secret"- <https://www.sud-afp.org/spip.php?article620>

state.<sup>3</sup> With the Google deal, and all those which follow such as with Facebook, the share of AFP's revenues that are a business secret will grow, making it more difficult to ensure **effective democratic control by legislators and staff representatives** over what is still a quasi-public institution.

- **Trade unions** have been invited to negotiate a deal for staff to receive a share of the neighboring rights. But how can they ensure we receive an "*appropriate and equitable*" slice as required by French law when we don't know the size of the cake?

## What is management offering?

- **The law specifies that journalists are entitled to a share of neighboring rights.** Management's proposal mimics this, meaning that it would exclude technical and administrative staff from the payout. For *SUD*, this is contemptuous towards these staff members, without whom AFP could not function.
- Management proposes that **journalists around the world** receive a payout. A logical and positive point.
- The deal signed with HQ staff will serve as a framework elsewhere. The amounts will be adjusted by the cost of living in each country. Payments will also be adjusted for part-time employment and not working a complete year.
- Management proposes allocating journalists **7% of the funds received** for neighboring rights. But why not 20, 30 or even 50%? According to our calculations, for each million euros received by AFP for neighboring rights, a 7% share would correspond to a payment to each journalist of around €35 (before adjustment).

## Fundamental questions

Management has stressed that for AFP "*the value created from neighboring rights will be strictly reserved for reinforcing its financial strength and competitiveness*". If only! Management has already indicated that money will make up for the delay in raising revenue under its "image plan" under the 2019-2023 Aims and Means Contract. And after years of the state undercompensating our public interest mission, neighboring rights could well serve as a justification to further reduce state support.

For journalists, their share of neighboring rights comes on top of their salary and author rights as well as the profit-sharing envisaged by management. The *problem* is that it is *variable* pay, linked to the number and amount of the neighboring rights deals signed by AFP. Rights also often let management avoid paying certain contributions, like for our private retirement scheme.

We're now squarely in the neoliberal agenda of **adjusting remuneration based on the financial results of a firm**, freezing or even reducing wages and social contributions, individualizing compensation and letting more of it escape taxes.

We're not going to spurn this new remuneration. But we won't savor it either. *SUD's* preference is for a hike in our **wage scales** which we've fought long and hard to ensure they *guarantee staff wage increases during their career, remunerate their qualifications and experience, and make contributions for health and pensions, as well as pay taxes to support our public services*.

Despite these concerns, *SUD* representatives will participate actively in the negotiations on neighboring rights in the interest of informing staff, making proposals in their interest as well as defending the Agency's public interest mission.

Paris, January 24, 2022

**SUD-AFP (Solidarity-Unity-Democracy)**



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<sup>3</sup> See our statement <https://www.sud-afp.org/spip.php?article625>