Summary of the Report Compiled by the Study Group on Future Film Production

Background and objectives

The digital era has arrived, accelerating the improvement of internet communication environments. The popularization of smartphones and other devices that allow for convenient access to online content and platform businesses that distribute digital video and related content together have created the current conditions in which film industries around the world have faced dramatic changes in their business environments. These changes provide opportunities for the Japanese film industry to embark on overseas business development. However, such opportunities also means that the industry may be exposed to severe competition with film industries of other countries.

To survive the competitive global business environment for years to come, the Japanese film industry should empower those in film production. However, the industry does not properly record sufficient information about freelancers, who are actually critical to the industry, and whose number is estimated to account for the majority of workers in film production. In addition, some have raised concerns that such freelancers may suffer from worse contract conditions and working environments as a result of the enforcement of the Act on Arrangement of Relevant Act on Promoting the Work Style Reform.

In light of the current situations, the film industry should take the working style reform as a good opportunity to improve its business environments, and it is considered necessary to unite the industry in efforts to enact sustainable measures for producing quality films by workers in film production in Japan.

Against this backdrop, the Study Group on Future Film Production held discussions on measures that the Japanese film industry should take for sustainable development of the industry focusing on its development over the next 20 to 30 years, while taking into consideration the results of the fact-finding survey that targeted human resources and workers engaged in film production.

Background to the discussions at the study group

Prior to the discussions, the Media and Content Industry Division of the Ministry of Economy, Trade and Industry (METI) conducted a fact-finding survey targeting workers in film production under its commissioned project from June to September 2019, and researched the current situations of human resources engaging in film production.

In cooperation with the Motion Picture Producers Association of Japan, Inc. and the Japan Film Makers Association as well as film-related associations, the division distributed questionnaire sheets

to employees, including freelancers, who are working in fields related to film production, at film studios and locations across Japan and collected opinions from them. This was the first, unprecedented survey conducted for the purpose of ascertaining facts about human resources in film production in Japan.

Based on the preliminary results of the survey, the study group held four meetings in total from October 2019 to March 2020. It inaugurated a Working Group on Environments for Workers in Film Production between the second and third meeting, and the working group held two meetings in total and discussed detailed approaches to developing environments for workers in film production.

Challenges and solutions thereto

In light of the responses from the working group as well as other data, the study group discussed future directions of specific efforts and organized them into two points: introduction of digital tools and enhancement of fairness among workers in film production, including training of human resources and other actions.

Challenges

Specific solutions to these challenges

[i] Challenges in management of production

[ii] Contract conditions

[iii] Working environments (conditions)

[iv] Training of workers in film production

[v] Business environments

Introduction of digital tools

Enhancement of fairness among workers in film production, including development of human resources and other actions
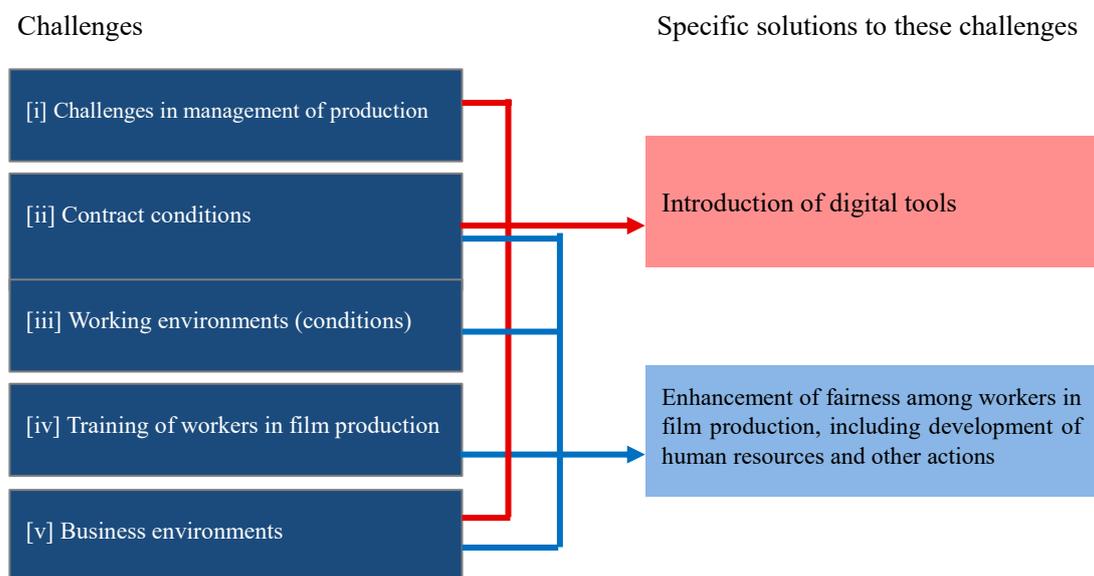
Introduction of digital tools

Directions of future efforts

As the variety of expenses that are incurred by the film industry is incredibly diverse depending on the types of films, and a wide variety of people in a variety of positions who are committed to creative work are employed, support measures that would cover a large variety of potential demands for

utilization of digital tools for improving productivity are expected among workers in such fields as film production, accounting of production expenses and management of production processes. Going forward, the industry's cultivation and fulfillment of such demands will contribute to developing environments in which workers are able to dedicate themselves to creative activities and to producing films which receive recognition overseas.

Enhancement of fairness among workers in film production

Directions of future efforts

As an FY2020 effort to further shape details of a new film certification system, the study group considers it desirable to establish a committee that will prepare for the establishment of a certification system, such as an "organization for enhancing fair film production," and, as a voluntary effort by the film industry, to continue to enrich discussions under the framework of the committee.

In further shaping the details of such a film certification system, linking this system with a system explained in "Chapter 4, 1 Introduction of Digital Tools" of the report is expected to not only enhance transparency of business environments (e.g., contract conditions of workers in film production), but also enhance efficiency of procedures involving the certification system. Moreover, aiming to encourage filmmakers to file an application for the film certification system, such a committee should, targeting small- to mid-sized films, discuss linking the certification system with the existing subsidy program for film production advanced by the Agency for Cultural Affairs as well as linking the certification system with a variety of other support measures.

In discussing the certification system, such a committee should take into consideration approaches to avoiding imposing new burdens not only on freelancers but also on intermediate production companies. In addition, it should aim to gain the understanding of participants in film production committees and the wider society so that Japanese film production can be conducted at fair costs in order to secure sustainability.

Moreover, in order to ensure the greatest synergy between the certification system and relevant policies and regulations, METI and other related ministries and agencies should continuously advance their collaboration. In addition, the public and private sectors may be required in the future to collaborate in advancing a voluntary effort by the film industry as a measure for enhancing effectiveness of the effort, e.g., provision of monitoring, advice and support measures by the government, e.g., METI.

Conclusion

For years, films have played a leading role in the Japanese entertainment industry and this role will

not change. Japanese film companies' continuous provision of films which attract people at home and abroad is highly significant not only for the film industry but also for the entire entertainment industry. As numerous digital contents were distributed and are gaining popularity, the film industry marked record-high box-office revenue in 2019, and this forecasts a bright future for the industry.

Meanwhile, workers in film production have greater burdens against the backdrop of growing demand for video content in Japan, including such facts as a dramatic increase in the number of films being produced for an increasing diversity of both media and consumption habits (as seen in the emergence of distribution services and measures for addressing 4K- and 8K-based systems). The fact-finding survey targeting workers in film production highlighted anew a variety of challenges surrounding contract conditions and working environments for freelancers.

To solve these challenges, it is important to consider relationships not only between freelancers and film production companies but also between such production companies and filmmakers. Many filmmakers in Japan serve on film production committees and they often consist of a variety of entities. This causes a diversity in players and their relationships, resulting in accelerating complexity in structural challenges.

As approaches to specifically solving challenges surrounding such contract conditions and working environments, the study group considers it important that, as a first step, the film industry itself should lead efforts for making rules further tailored to current situations, in order to overcome such challenges. Conventionally, the film industry has made and enacted rules in line with the times through its voluntary efforts as seen in the Film Classification and Rating Organization (EIRIN). In light of this background, it is considered rational for the industry to voluntarily make and enact rules, through a process in which the industry participates, by taking advantage of certain frameworks, such as a film certification system. From FY2021 onward, the film industry is expected to advance preparations for establishing an "organization for enhancing fair film production" or similar, and thereby to decide on specific rules and operation thereof. Through these efforts, it is strongly hoped that the industry will advance development of environments in which freelancers committed to film production are able to smoothly work and exercise their creative talent.