

## **Regional Circular and Ecological Sphere: Theory and Practice**

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### [Abstract]

This research development (this subtheme) created a theoretical economic model of the 'circular and ecological economy' and provided empirical evidence. To do this, this research development (this subtheme) created a theoretical economic model using the concept of the inclusive wealth index and developed a system to assess the sustainability of each municipality by showing the inclusive wealth footprint. These analyses showed that municipalities with low population density and a depopulation trend but that are rich in natural capital and have a higher population engaged in agriculture, forestry, and fisheries than other municipalities are highly dependent on other municipalities and that such regions are the ones that will inevitably lose more population unless activities are undertaken to increase their natural capital. Based on this implication, this research and development (this subtheme) has concluded that a drastic solution to declining natural capital and human capital would be commercializing carbon credits using the forests, agricultural land, and fishery resources in the community as a CO<sub>2</sub> sink. This social implementation is taking place in several municipalities.