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## Statement submitted by International Shinto Foundation, a non-governmental organization in consultative status with the Economic and Social Council*

The Secretary-General has received the following statement, which is being circulated in accordance with paragraphs 30 and 31 of Economic and Social Council resolution 1996/31.

* The present statement is issued without formal editing.

## Statement

The financial crisis in 2008 revealed that if something bad happens somewhere in the world, it may cause a contagion effect which impacts the rest. While great merits can be reaped through involvement in the global economy during boom times; in times of economic emergency, greater damages can be sustained.

A new movement has arisen calling for greater autonomy for local regions to protect them from the threat of external factors and circumstances sourced from every corner of the world. In Japan, most local regions remain in budgetary deficit. This means municipalities in Japan spend more on goods and services from outside their region than generating income by selling to their external partners, which seriously weakens their economies.

What would be the requirements for a region to lay roots of a resilient economy if there is no longer access to cheap petroleum since the Paris Convention, no subsidies from central government, or incentives for companies? The problem does not seem to be low regional incomes, but rather the leakage of this income to outside the locality. Efforts to minimize such leakage and to successfully circulate the region’s money so that it is retained within its borders will lead to increased financial reserves in the area and will serve to animate local economies and raise the happiness of their people.

In pursuit of this end, it would be crucial to review what kind of resources are available in the region and to find the best way to make the most of these resources. In particular, whether residents’ capital will be invested in their region or outside would be of critical importance. For example, if residents’ monies are saved in a bank, then it will usually be pooled to a central bank in an urban area for investment. The funds are scarcely used for investment in the region of its source. But if such monies are invested in the local economy, it serves to invigorate the area, while the investor could enjoy an interest or return similar or higher to that when saved through a major bank. For example, Aba Village in Okayama Prefecture in western Japan had been dwindling to a ghost town — on account of a zero birth rate over the past 20 years which saw the population decrease from 700 to 570, the only elementary school and kindergarten close, the only gas station withdrawn by its managing company, and the municipal office branch drastically diminish in size. Under such despairing circumstances, the residents tried to do their best to preserve their village home. Almost all of them joined together to establish a private limited liability company, which started growing eco-friendly rice and vegetables for local consumption. Their success allowed them to revive the once-closed gas station and they began using thinned woods for fuel. Through these endeavors, they were able to turn around their region’s finances so that after several years (and to this present day) the area attracts number of cooperators and immigrants from outside the region.