Walter Santagata, Professor at the University of Turin Transcript of Prof. Santagata's speech, as delivered on the day of the address. Hangzhou International Congress, "Culture: Key to Sustainable Development", 15-17 May 2013, Hangzhou, China.

Thank you very much, thanks to UNESCO for inviting me to this interesting conference.

I would like to address 2 points to the role of culture in the local policies that local government can develop in order to use culture for alleviating poverty but even for a more general result.

The first point is related to cultural districts, which started as a local system, and where there are many micro and small firms producing goods based on local culture and traditional knowledge. The system of a small firm is the source of large positive externality, cultural district produce development through an efficient labor market, job creation and production of trust and cooperation. There are many examples all over the world of such kind of agglomeration of small firms, working usually all together around a single cultural product, which could be a film a movie, a tourist cluster, ... But an evolution of this kind of idea is what we call now the creation at the local level of systems of creative atmospheres. It is a sort of context in which there is a high concentration of creativity and creative industries. The analysis of creative cities is based on the presence of many networks of creativity: from movie productions, to music production, to contemporary art. This kind of model becomes interesting when it produces critic temperature, when it produces the capacity to bring together many creative actors that find in that place the resources in order to develop economy, job creation and so on. Just to give you an example, we analyze Florence. All of you agree that Florence in the Renaissance has been a creative city. If you look at Florence in these years, in the second half of the 15th century, Florence had 90 000 inhabitants, something like 900 artists, mostly in painting, in the jewelry, in sculpture and so on. It means that during the Renaissance, there was 1 artist every hundred people. This is a very high concentration of creative atmosphere. In the city, talking about art was very common. Meeting artists was very common. Today, the city of Florence should be able to attract 300 500 artists of high quality, ateliers, laboratories and so on which is very demanding, to try to reconstruct our creative cities.

The second point: culture for development may have a great role in producing social capital. What does it mean? It is different from producing income, or creating jobs ... It can be attained with a very simple operation. Let's take contemporary art as an example. To produce social capital with contemporary art means to shorten the value chain of a production, the value supply chain making the producer closer to the consumer. This happens in Europe and in my country, under a label called a « zero kilometer contemporary art ». It means the producers are very close to the collectors, the artists are very close to the village or the city. There are many local examples flourishing in Italy of production and exchange of contemporary art. By social capital, I mean the relationship between people, the capacity to talk together; to dialogue would be very high. So all kind of intervention, (trying to reduce the distance between the producers, the artists, the collectors, the citizens, and the consumers) should be done as a way to increase social capital, and cultural goods in a context that is very interesting even in creating a cultural atmosphere.