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## Guest view: There really are ways to grow the community

By **PHILIP KERNAN**

**Special to the Observer-Dispatch**

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The vacant position of Utica's Commissioner of Economic and Community Development is one focus of Utica's mayoral race. With the nation's unemployment rate stabilized above 9 percent, Uticans are not the only Americans wondering how to create more jobs.

What makes a community grow?

A community's economic prosperity can be measured by the relative change in its population. In free societies, people vote for economic prosperity with their feet. The economic prosperity of the United States for the past 200 years is due in part to its attractiveness to and acceptance of immigrants. Our country has been blessed by the tired, the poor and the huddled masses voting with their feet to seek a better life in America.

Utica's golden age of prosperity was from 1820 to 1920. During this 100-year period, Utica's population grew at a faster pace than the nation and was three times larger than predicted by the national trend. Then, Utica changed course. In the last 90 years, Utica has lost a third of its 1920 population.

Utica's golden age was propelled by the Erie Canal (cheap transportation) and by coal-fueled, steam-driven textile looms (cheap energy and technological innovation). Utica in the early 20th Century was the knit-goods capital of the world and was a fertile place for ideas and businesses to grow. Immigrants chose Utica over other American destinations.

When World War I ended, Utica's growth model was altered. Fashions changed from cotton and wool garments to silk and nylon, reducing the sales of women's knit-goods. The U.S. military cancelled its order for men's knit-wear and sold its huge inventory at discounted prices. Utica's dominant industry immediately declined. There were more than 40 textile mills in Utica when WW I began; by 1922, there were barely half-a-dozen. Thousands of employees were thrown out of work. Utica's population growth subsequently slowed and then declined.

A community's standard of living depends on its ability to produce goods and services. A community that wants to grow must embrace policies that increase the community's productive abilities. The most important ability to nurture is innovative talent and leadership skills.

One lesson from Utica's history is that people with ideas and capital precede bricks and mortar. "Build-it and they will come" publicly-funded projects (hotels, etc.) have failed to meet expectations and instead have created few jobs, nominal tax revenue, large public-debt and higher local taxes. Real-estate deals disguised as development strategies should be avoided.

A less glamorous, but more effective, method is to focus on small-scale, bottoms-up strategies that emphasize the allocation of scarce resources toward investments that make neighborhoods more attractive places to live and work, that encourage entrepreneurship and that make it less burdensome to be an employer.

A community that has safer and cleaner streets, with higher-quality education, minimal business regulations and a lower tax burden will attract people with ideas and capital. Low taxes and healthy neighborhoods are the cornerstone to attracting innovative leaders who make communities grow. Please vote at the ballot box Tuesday and not with your feet.

*Philip Kernan has a master's degree in city and regional planning from Harvard and teaches economics at SUNY Institute of Technology in Marcy.*

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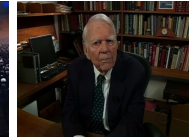
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