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12-20-1983

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### Recommended Citation

Thompson, John E., "Economic Research and Education to Strengthen South Dakota's Future" (1983). *Economics Commentator*. Paper 200.  
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No. 204

December 20, 1983



## Economic Research and Education to Strengthen South Dakota's Future

by

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One does not have to listen very carefully, read very much, or think very deeply about our state, nation, and the world to realize that we live in an ever increasingly complex society that faces a host of problems. Decisions to cope with future problems will necessarily require a high level of understanding of the nature, causes, and impacts of the problems.

In addition to facing the problems of inflation, unemployment, health care, crime, drug abuse, nuclear proliferation, and poverty that are common to our nation and the world, South Dakotans are faced with a particular set of issues surrounding our agriculturally-based economy.

Issues such as the following are of real concern to a large percentage of our state's population. Can our agricultural producers remain competitive in national and world markets? What are the opportunities for improving the production and marketing of our agricultural products? To what extent can our transportation system be improved to more fully support our agricultural industry? What are the prospects for expansion of irrigation in the state? How can we most efficiently and adequately provide public services to rural communities? What are the opportunities for processing and adding value to raw materials produced in this state? How can the needs of the growing proportion of school age and older citizens in the state be met by the ever decreasing

proportion of our state's middle age population? What opportunities exist for creating more off-farm employment opportunities for young people and part-time farmers? How can small businesses, small firms and ranches, and rural communities in general adjust to future technological changes?

The above questions and the challenges associated with them raise still another question. What measures can we take to cope as effectively as possible with these concerns and issues? One logical answer is to generate and use the best possible information about these changes, identify problems associated with such concerns, and determine opportunities to cope with them. In this regard, research and educational programs hold out prospects for reducing adverse affects from many changes as well as providing insights on how we can take advantage of changes thereby strengthening our economy.

Many studies show that research and educational programs provide the best hope for stimulating economic growth and development. Especially noteworthy is the work of Theodore W. Schultz, a native South Dakotan and Nobel Prize winner in Economics. In one of his recent books entitled, **Investing in People**, Dr. Schultz says that "mankind's future is not foreordained by space, energy and cropland. It will be determined by the intelligent evolution of humanity." He also quotes Alfred Marshall, a noted classical economist, who wrote that "knowledge is the most powerful engine of production."

In a Centennial Symposium presentation at SDSU in 1981, Schultz pointed out that "real wages per hour of work have increased over five-fold since 1900." He relates this to the fact that "children at the turn of the century attended only 99 days of school compared to 160 day presently," and added that "the acquired abilities of the

population have risen much more than what these figures imply for reasons of better health, advances in knowledge, and additional on-the-job experiences." He goes on to affirm his long-term contention that "acquired skills and knowledge are a form of capital, that this capital is in substantial part a product of deliberate investment, that it has grown in Western societies at a much faster rate than conventional (non-human) capital, and that its growth may well be the most distinctive feature of the economic system."

In his recent book, **Investing in People**, Schultz writes "organized research has become the primary source of additions to the stock of knowledge. In the United States, about 70% of all basic science research is paid for by the federal government and about 50% of this research is done by universities and their affiliates."

An important feature of research carried out by universities is the availability to the general public of the results of the investigations. Another important feature of research carried out by public institutions is that it is both basic and applied. In general, basic research refers to intensive and often long-term experimentations which may or may not produce findings which can be used in solving immediate problems but which are useful in later applied studies. Applied research, on the other hand, is often less intensive, shorter in duration, and frequently is very valuable in solving short-term and immediate problems.

Research carried out by the Economics Department evolves out of economic needs felt by those living in our state. Those needs are reflected in the Department's mission, goals, and objectives.

The remainder of this newsletter is devoted to a review of the mission, goals, and objectives of the SDSU Economics Department. It is hoped that the reader might observe how such functions can assist citizens of this state to meet future economic challenges.

The overall mission of the Department is to enhance the quality of life, strengthen the economy, and foster ever-increasing economic opportunities through economic research and on- and off-campus educational programs.

A major goal is to conduct research designed to increase the profitability of farming and ranching in South Dakota, enhance rural development opportunities, and aid decision-making relative to the use of public funds and other resources. Objectives to achieve this goal include:

1. Analyzing information to facilitate farm and ranch management decisions. Included in this are such considerations as alternative production possibilities, production costs, and the acquisition of capital resources such as farm machinery and land.

2. Assisting in designing agricultural marketing strategies that will enable producers to realize higher farm product prices and net income. This includes attention to purchased inputs used in grain and livestock production and commodities sold by farmers. Commodity price analysis and transportation are two specific focal points of concern.

3. Determining the economic opportunities and limitations associated with the development and utilization of various types of resources, such as agricultural bio-mass for fuel, water resources for irrigation, and rural water for domestic and livestock use. Also of central concern is development of employment opportunities for human resources in our rural communities.

4. Providing information on the economic applications of proposed public policies dealing with agricultural production and marketing, and with equitable, efficient, and adequate financing of public services.

A second major goal is to carry out formal on-campus educational programs in general economics, agricultural economics, agricultural business, and commercial economics. The objectives directed toward this goal are:

1. Providing undergraduate education

and training opportunities for students interested in economics, agricultural economics, agricultural business, and commercial economics through broad and basic programs covering both the theoretical and applied aspects of these fields.

2. Providing Master's level training in economics designed to meet the needs of students seeking greater expertise in selected fields of economics and agribusiness and preparing students who wish to pursue more advanced training.

3. Providing night courses and other opportunities in economics for non-traditional students and other part-time students wishing to further their education.

A third goal is to provide non-formal economic education to the people of the state (primarily through the Cooperative Extension program) in farm and ranch management, agricultural marketing, public affairs, resource economics, and economic development. Objectives to meet this goal are:

1. Providing guidelines to enhance farm and ranch management decisions. This involves integrating new research findings and other types of relevant information for South Dakota producers into various information systems such as through newsletters, radio, television, computer programs, workshops, outlook meetings, and group and individual consultation.

2. Assisting South Dakota farm producers to make more effective use of crop and livestock marketing information and marketing strategies in their decision-making processes. This is done

through the various information systems mentioned above.

3. Acquainting agricultural producers and agribusiness firms with computers and available software for computers to strengthen their production, marketing, and family living decisions.

4. Explaining the consequences of alternative procedures for financing federal, state, and local government.

5. Explaining the nature and probable consequences of various agricultural and food policies.

6. Providing information on options pertaining to rural economic development. This includes information on the potential economic feasibility of various types of processing intended to add value to agricultural commodities produced in the state, and thereby increase employment and income-earning opportunities for citizens of the state.

It is recognized that not all of the above goals and objectives can be adequately achieved as a service for all of the citizens in South Dakota. However, special research, teaching, and extension programs are underway in economics relative to most of the objectives listed. The staff stands ready to assist the general public in any way it can--within existing financial and time constraints--to strengthen the state's economy.

The next newsletter in this series will pick up on some of the themes raised in this newsletter. It is an overview of some agricultural and economic development possibilities in South Dakota by Dr. Thomas Dobbs.

**Economics Newsletter**

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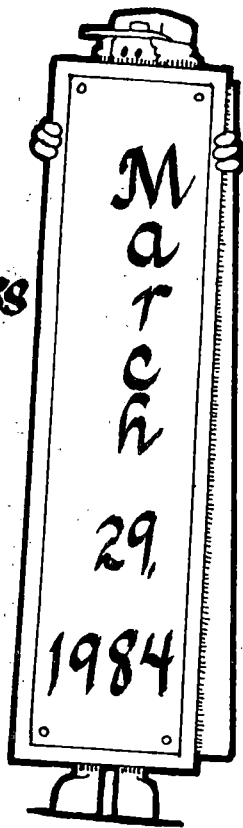


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Events

Agri-Business  
Day



more  
information  
on this in  
future newsletters.

From all of us  
at the Economics  
Dept. to all of you.

Merry Christmas  
and

Happy

New Year!

