How *Good* are the CoB Economists?

A Look Back Across the Recession and Financial Crisis for Answers

By now USMNEWS.net readers are well aware that USM notified its constituencies back in August-2009 that the institution was seriously considering eliminating all of its b-school economics majors and the 9 tenured/tenure-track faculty who accompany and service them. That decision, we were told, was the result of the economic fallout from the recession that has hammered Mississippi and the rest of the country for some time. USM began implementing multi-million budget cuts back in the fall of 2009, and is expected to face cuts of up to $12 million over the next few months.

As soon as USM president Martha Saunders released the recommendations for cuts from USM provost Robert Lyman and the USM Academic Planning Group (APG), cuts that eliminated the ECO programs and ended the USM careers of the 9 economists, the CoB economists began to fight back through media outlets like *Inside Higher Ed*, *The Hattiesburg American* and *The Student Printz*. Using terms like "subterfuge," and throwing around accusations that the Saunders administration was notorious for not following established rules and procedures, the economists quickly gained political ground on the USM administrators, who seemed surprised at the rapidity and effectiveness of the assault. As a result of their efforts, we are now told that 4 CoB economists (Sami Dakhlia, Akbar Marvasti, Deniz Gevrek and Daniel Monchuk) will be moving into the College of Arts & Letters (CoAL), while the mostly senior 5 remaining economists (William Gunther, George Carter, Edward Nissan, Trellis Green and Mark Klinedinst) will enter retirement after 2009-10.

Just how "good" are the CoB economists and the academic programs they service. In his 25-Aug-09 letter to the editor of *TSP*, Dakhlia told the USM family that the CoB's economists are, as far as the USM campus is concerned, uniquely capable of "analyz[ing]" and "explain[ing]" "inflation and unemployment . . . deregulation of banks . . . the role of money and the causes of inflation . . . [and] the direct and indirect effects of budget deficits . . ." In a nutshell, Dakhlia was making the same argument that others had made, but without mentioning "the irony" in the fact that Saunders was cutting *economics* from the CoB curriculum in the midst of *one of the most difficult economic times* since the Great Depression.

As readers will recall, a number of reports here at USMNEWS.net have indicated that the CoB economists are no longer the leaders of the CoB in terms of academic research. Not only that, members of the group, particularly the two who are currently speaking out in the loudest way (Klinedinst and Dakhlia), are among the least accomplished. It is well known that Klinedinst has not published in an indexed economics journal since 1998 (!), while it may be lesser known that Dakhlia has not done so himself since 2006. What is well known about Dakhlia is that he was "canned" by the University of Alabama before 2006 for a lack of performance (output). This report goes further, though, with Klinedinst and Dakhlia, by looking back at what they were saying in the media during the height of the nation's financial crisis of 2008, which was just before (on the eve of) the major recession that has those same economists in the position they occupy today.

In its 30-Sept-08 news article entitled “Congress rejects bailout deal,” *TSP* began discussing the nation’s *financial crisis* with the vexing questions “Subprime mortgage? Toxic loans? Securitization?” Those questions were followed by advice to readers from Dakhlia: **“Students shouldn’t worry. I think everything will be fine.”** That was Dakhlia, in the midst of the financial crisis, and on the eve of a major recession. Banks are still failing, and their insurance agent (the FDIC) is facing some fears over its own future. In the twelve months hence USM has cut or is considering cumulative cuts nearing what sources say is $20 million, all as a result of the worst economic recession in memory.

Dakhlia’s colleague, Klinedinst, was a bit more pensive in that same report. He told *TSP* that if a financial bailout passed it would still be difficult to say what the outcome would be. According to Klinedinst, a successful bailout could enable the U.S. to avoid a recession. But, Klinedinst worried, unemployment was already up 2 percent, meaning that a recession could be imminent even with a bailout. Some give Klinedinst a C, or C+. for not reading the leaves as well as he perhaps should have at the time. That said, Dakhlia gets an F for missing the whole forest and its trees. Unfortunately for the CoB, and its dean Lance Nail, the article ended with one additional quote about the situation from Dakhlia: **“I think things will be fine. We’ll maybe have a deal by the end of the week.”**

What the past 6 weeks may have taught us is that the CoB economists, or two of them at least, may be better suited for politics than for economics. If so, perhaps a move into the CoAL might be the best thing for USM at this point in time.