ABSTRACT
The crisis in the global economies paved way for economic recession in Nigeria due to integration of the world economies. Economic recession which is a decline in the economic activities has caused a lot of havoc on the Nigerian economy. The Nigerian Stock Market and the banking sector were the first to be affected by the recession resulting in the fall of the stock market prices and the depreciation of the Naira against the US dollar and other traded currencies which has adverse effect for the Nigerian foreign reserve. Production activities of the manufacturing sector declined as prices of goods increase due to fall in consumer spending this result in downsizing and retrenchment. In the public sector, some state governments were unable to meet up with their budget estimates due to fall in government revenue. Neglect of the corporate governance guiding principles on the part of the management accountants contributed in great measure to the economic recession. This paper examined the role of management accountants in managing the impact of economic recession on Nigerian economy. It was discovered that non-compliance with corporate governance guiding principles contributed to the economic recession. It is therefore recommended that management accountants should perform their responsibilities with thorough professionalism by reacting promptly and certainly to the signals of economic recession plus non-compliance with standards, rules/regulations and report to the appropriate management.

Key words: Economic Recession, Nigerian Economy, Management Accountants

INTRODUCTION
The emergence of economic recession in Nigeria is triggered by the global economic meltdown. The global economic meltdown is attributable to the subprime mortgage loan sub-sector in the American financial industry. According to Gbenenye (2014) “the subprime mortgage loan sub-sector issued a number of mortgage loans over the years without due recourse to the ability of the recipients to meet up with the repayment commitments. This later crystallized into a massive body of non-performing loans and defaults which set off a cascade of failures in the financial sector”. The current financial crisis and economic recession is seen by Mohohlo (2010) to be the cumulative lapses in good corporate governance, particularly with respect to transparency in management, policy formulation and operational procedure, which includes a clear hierarchy of institutional structures such as boards, management and stakeholders, with well-defined functional responsibilities to ensure accountability in organizations. According to Kothari and Lester (2011) “accounting standards, accountants, CEOs, rating agencies and Wall
Street were all accessory to the financial crisis. The accountants aided this through lax fair-value. The auditors also facilitated it by turning a blind eye to the false information in the application for loans and assisted to compromise the standard of lending in assessing loan risk. Rating agencies on their part grossly miscalculated the default risk. All these affected other global economies and resulted to what is known as global economic crisis”. The global economic recession is seen as phenomena that describe the growing economic, political, technological and cultural linkages that connect individuals, communities, businesses, governments and countries around the world and negative impacts it carries with it as felt in the economies of different states and countries (Fapohunda, 2012). The economic recession according to Chizea (2017) has impacted on the developing world in degrees dependent on the extent of their exposure to the world market. Fapohunda (2012) noted that the Nigerian economy faces the rippling effects of the global economic crisis resulting to breakdown and decline in economic vigor.

**ECONOMIC RECESSION**

Economic recession is a period of economic slowdown featuring low output, illiquidity and unemployment. It is characterized by its length, abnormal increases in unemployment, falls in the availability of credit, shrinking output and investment, numerous bankruptcies, reduced amounts of trade and commerce as well as highly volatile relative currency value fluctuations, mostly devaluations, financial crises and bank failures (Fapohunda, 2012).

According to Akinsola (2016), Economic recession is defined as “consecutive declines in quarterly real gross domestic product (inflation adjusted) and a decline in activity across the economy, lasting longer than three to four months. It is visible in industrial production, employment, real income and wholesale-retail trade”.

Similarly, the Business Cycle Dating Committee of the National Bureau of Economic Research defines economic recession as “a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in production, employment, real income, and other indicators. It begins when the economy reaches a peak of activity and ends when the economy reaches its trough” (Claessens & Kose, 2009).

Based on the definitions above, it is seen that economic recession is a period of downturn in the economic activities of a country. It takes time to determine whether an economy is in a recession or not. The global economic recession was seen to have started in 2007, in the case of Nigeria, the recession affected Nigerian economy in 2009. The impact was felt in the Nigerian economy with the market capitalization falling from ₦12 trillion to less than ₦9 trillion, a decline in the 2009 budget and revenue as a result of a sharp drop in the price of petroleum products, among others. The signs include government not being able to meet its financial commitments, increase in the prices of goods and services, fluctuations in exchange rates and so on.
MANAGEMENT ACCOUNTING

Adeniyi (2008) defines management accounting as a process of generating relevant, sufficient and reliable information, both quantitative and qualitative to management for the purpose of effective decision making.

In the same way, management accounting is concerned with the application of accounting and statistical techniques to the specific purpose of providing and interpreting information designed to assist management in its function of promoting maximum efficiency (Osisioma 1996, cited in Egbonike 2014).

Equally, Chartered Institute of Management Accountants CIMA (1991) defines management accountants as “an integral part of management concerned with identifying, presenting and interpreting information used for: formulating strategy, planning and controlling activities, decision making, optimizing the use of resources, disclosure to shareholders and others external to the entity, disclosure to employees and safeguard of assets”

CIMA (1991) further stated that management accounting focuses primarily on data gathering (from internal and external sources) analyzing, processing, interpreting and communicating the resulting information for use within the organization so that management can effectively plan, make decisions and control operations.

The Presence of management accountants in any given economy/organization is critical to the sustainability of the economy/organization. They are key role players and act like watch dogs as they look into the historical economic activities and performance of an organization/economy and generate relevant data for strategic decisions. They are not in the organization for their traditional role only but through better understanding of the organization and active involvement are able to meet up with the challenges that might face the organization in tough economic times such as during economic recession, analyze the challenges and make timely and meaningful communication to the top management/relevant authority.

CAUSES OF ECONOMIC RECESSION

Economic recession does not just happen in any given economy, its occurrence is attributable to so many causes. Avgouleas (2008) stated that breakdown in underwriting standards for subprime mortgages, flaws in credit rating agencies, among others are some of the causes of economic recession. Farayibi (2016) noted that “one of the factors which contributed to the economic recession in Nigeria was the delay in forming the cabinet. The delay gave room for leakages in the economy. There were no finance and coordinating minister of the economy to make concrete decisions and implement policy directions of government and this created vacuum in decision” Farayibi (2016) further attributed the Treasury Single Account (TSA) as one of the causes of economic recession in Nigeria. According to the researcher quoted above, the
TSA that was supposedly meant to block loopholes in the economy and minimize corruption mopped up liquidity in the circulation and shifted credit creation and economic activities in the country. This according to the researcher has a grave effect on the economy. Noko (2016) highlighted the major causes of economic recession in any given economy including Nigeria as:

- High inflation, a general rise in price of goods and services - leading to low purchasing power.
- Accumulation of debt servicing especially foreign debt
- High interest rate – discouraging investors
- Fall in aggregate demand, fall in wages, income
- Mass unemployment and general loss of confidence on the government due to economic indices”.

Correspondingly, Onyesiku (2009) posits that factors which are responsible for economic recession are “dollar collapse, rise in oil price, inflation, housing bubble, loss of consumer confidence, excess buying and global economy. The current global economic recession was aggravated by low interest rates and increased global liquidity. The subprime or near-subprime loans being initiated and sold to banks by the US real estate brokers as well as the hedge funds, the Structured Investment Vehicles (SIV) and financial instruments such as Collateralized Debt Obligations (CDO), Credit Default Swaps (CDS) and other derivatives were the bane of the crisis”. Likewise, it was believed according to Kothari and Lester (2012) that “the inconsistent implementation and subsequent misapplication of the standards contributed in three ways to the financial crisis. Two of which are; firstly, reporting of immediate gains on securitization facilitated and motivated more subprime lending. Lastly, the eventual recognition of losses and the ripple effects through the economy resulted in a large, rapid decreases in the amount of bank’s capital”. Furthermore, other causes of the crisis include lax regulation over mortgage lending, a growing housing bubble, the rise of derivatives instruments such as collateralized debt obligations, and questionable banking practices, as well as certain management incentives and fair value accounting standards (Kothari & Lester 2012). In the same way, Adebamowo (2011) also disclosed other factors responsible for economic recession as the underestimation of the liquidity risk and the employment of short term oriented incentive schemes.

EFFECTS OF ECONOMIC RECESSION ON NIGERIAN ECONOMY

Economic recession has grievous effect on Nigerian economy. According to Fapohunda (2012), “the recession resulted in a crash of the stock market, prices of oil increased tremendously and left many financial homes depressed with the fear of an impending crunch. It reduced the ability of the economy to fight off the underlying sicknesses of unevenly distributed wealth, agricultural depression and banking problems”. The economic recession has resulted in high rate of unemployment. CIMA (2010) stated that retrenchment appears to be the most common approach adopted by businesses/organizations in dealing with recessionary conditions.
Fapohunda (2012) observed that the effect of the economic recession results in downsizing, mass unemployment and crashes in the money market. Also, Gbenenye (2014) stated that some state governments are unable to pay staff salaries as and when due and government investments are being drastically reduced along with budget cuts by the federal government and in some states. Equally, Adebamowo (2011) concluded that with the recession, the rate of job losses becomes far too alarming as many businesses across all sectors suffer a serious decline in sales turnover and banking system breaks down, prices of food, fuel, and other essential commodities shoot up, value of houses drops and companies offer voluntary retirement programmes to reduce their work force and cut down wages. Statistics shows that the manufacturing sector has been greatly affected by the crisis with massive decline in capacity utilization resulting from high exchange rate of naira and congestion at the ports (Fapohunda, 2012). The study by Gbenenye (2014) disclosed that “the petroleum sectors seems to be the hardest hit following the crash in the price of crude oil from $145 per in 2013 to an average of $35 per barrel at the climax of the crisis” and now $49.93 as at 25th August 2017 according to OPEC (2017). Huge losses have been incurred as a result of the current global economic recession. Similarly, Aforka (2008) stated in Union Digest (2008) that Nigeria incurred a total sum of N9 trillion as losses sustained by investors in nation’s capital market. The recession according to Gbenenye (2014) also bites hard on the banking sector which was until recently regarded as one of Nigeria’s best performing sectors of the national economy. The prices of goods and services rise at a shocking rate especially in urban centers. The recession impacted adversely on Nigeria’s oil revenues, crippling the stock market, forcing banks to declare huge losses and deteriorating further the unemployment problem, hence bringing undue pressure to the economy (Edogbanya, 2013). The research carried out by Onuoha and Nwaiwu (2016) disclosed that immediately the global financial crisis was pronounced in July 2008 in USA, the Nigerian stock market started experiencing serious downturn activities and investors began to pull out their resources which made the stock price to generally go down. The study by PWC (2015) shows that the Nigerian Stock Exchange all share index has fallen over 30% since July 2014. According to Ajakaiye and Fakaiyesi (2009) “the consequences of the recession on growth and development in Nigeria are enormous and widespread. The first point of impact is through the drop in the price of oil. This is followed by the fall in the share price of the stock market. The combined effect of these two lead to the depreciation of the naira exchange rate. Further worsening the situation is the withdrawal of foreign portfolio investment (i.e. the hedge funds) from the Nigerian stock market which compounded the crisis of confidence and complicated the capital market recovery process”. Moreso, Osaze (2009) stated that the recession resulted in market capitalization reducing from N10.18trillion to N5.2trillion and a market index from 5799 points to 22000 points by October 2009 and a flight of foreign portfolio investment; shares and stock were no longer collaterisable. The consequences of the economic recession comprises lower economic growth, which transforms
into poor health care system, advanced rate of poverty, weak education system, higher rate of crime as well as inability to attain the desired level of economic development.

THE STATE OF NIGERIAN ECONOMY IN THE PERIOD OF ECONOMIC RECESSION

Since the emergence of economic recession in Nigeria, Nigerian economy has continued to witness galloping inflation, declining business activities and unemployment. The Lagos Chamber of Commerce and Industry (2016) noted that the productive sector of the economy is unable to gain access to FOREX thereby hampering business activities and leading to negativity in the productive sector. According to Ajakaiye and Fakiyesi (2009) “the capital market has been shrinking; major international hedge funds have been withdrawn; and the international credit line has faded out of loadable funds for domestic industry”.

THE MANAGEMENT ACCOUNTANTS’ ROLES IN ECONOMIC RECESSION

The global economic crisis of 2008 has changed the traditional role of accounting of ‘Bean-counting’ to a sharp focus with rigorous changes and regulations to the professional standards (Kidane, 2012). According to The Uni Tutor (2017) with the change in the traditional role of accounting, globalization became more effective in both local and global economies hence influencing change in the accounting craft with accounting playing more and bigger roles in management hence management accounting. Thus Mohohlo (2010) posits that “accounting has now entered a golden age, an age of the changing role of the accountant, an age of wide-ranging roles that include professional business advice, planning, reporting, identification of value drivers and risk mitigation. Furthermore, the accounting profession has cross-cutting socio-economic responsibility in a variety of ways including governance, business ethics, banking regulations and supervision, as well as financial stability”. Fullam (2012) in CIMA (2012) publication provides these roles for accountants in the period of economic crisis; “the accountants working in the national treasuries should check that the books balances. Accountants in regulators’ office should read balance sheets and see if banks are over extended or identify over-concentration of risks and then do something about it. Accountants in the banks and brokerages should check the concentration of risk in particular sectors and the slackening of under-writing criteria and those who sit on asset and liability committees should identify funding weakness. Furthermore, in the case of economic activity, accountants should be actively influencing behaviours of businesses by having a view and expressing it. Accountants should have an insight into the financial state of their nation(s) and demand good government of their economy”. Consequently, it becomes necessary that management accountants in playing their role well in the period of economic recession should be made part and parcel of management hence Adeniji (2008) provides the following as management accountant roles in the management process:

UNDER PEER REVIEW
“Planning: Management accountants assist in generating adequate data on the past activities and performance of the organization for the purpose of short term and long-term planning process.

Organizing: The structure of the organization deals with authority, responsibility and specialization which ensures effective performance. Thus management accounting through what is known as responsibility accounting represents the design and accomplishment of accounting system which helps in consolidating and defining the relations.

Staffing and Human Resources Management: Management Accountants assists in motivating personnel by providing valuable assistant in identifying potential managerial problem areas and highlighting those items for detailed investigations.

Leading and Interpersonal Influence: communication must be effective for groups and individuals in an organization to assist willingly and harmoniously in achieving the goals of the organization. Management accountants aid communication functions by installing and maintaining an effective communication and reporting systems.

Control: Management accounting assists the control in an organization by producing a performance reporting which seek to compare the established targets with the actual outcome for each of the responsibility centers within the organization”.

Edogbanya (2013) noted that management accountants supply all kinds of information to management and act as strategic business partners in support of management roles in decision making and managing the organization’s activities.

CONCLUSION
Economic recession in Nigerian is as result of the global economic crisis. It has affected all sectors of the Nigerian economy resulting in rising prices of goods and services, high rate of unemployment, crash of the Nigerian capital market, exchange rate fluctuations, reduction in the inflow of capital into the economy, reduction in production activities due to fall in demand and consumption, lower rate of economic growth and difficulty in achieving the desired level of economic development, among others. Management accountants have roles to play in managing the impact of economic recession in which if the roles are well played, the impact of the recession on Nigerian economy will be properly managed.

RECOMMENDATIONS
It is recommended that management accountants should be included as members of the Nigerian policy makers as their contributions will help the economy in achieving its financial and non-financial objectives. This is in line with the observations of Adamu (2009) that the initial response of the policy makers in Nigeria was meek concerning the effect of the recession on
the capital market, this he attributed to be either they did not understand the crisis or underestimated its magnitude and this was a time when market capitalization had dropped from N12trillion to less than N9trillion.

Since weak corporate governance has been stated as one of the factors that contributed to economic recession as disclosed by the studies of Chizea (2017), Edogbanya (2013), Fapohunda (2012), Fullam/CIMA (2012), Kothari & Lester (2012) and Mohohlo (2010). It is recommended that management accountants should perform their duties with meticulous professionalism by reacting promptly and certainly to the signs of an economy being in recession as well as non-compliance with standards, rules/regulations and report to the relevant authority.

Accountants on their part should be providing accurate, relevant and reliable information at all times both in Annual reports/accounts and other supporting communications as these information provided will help the National policy makers in making economic decisions that will be beneficial to Nigerian economy.

In dealing with the issue of staff retrenchment, Management accountants in the organizations and MDAs of government should play their role by reducing some costs such as overhead cost in terms of minimizing staff training and development costs, reducing travelling expenses and encourage the use of teleconferencing, minimizing and/or eliminating the use of outsourcing and consultancy services. It is advisable to cut down on wages and salaries and other fringe benefits instead of retrenchment.

The economy of Nigerian is largely dependent on imports. This has to change. Government should boost our manufacturing industries. Emulate what the Ethiopian government did in the regime of late Prime Minister Meles Zenawi in improving our manufacturing industries to come up to international standard so that it will be export based. Concrete measures should be taken by government to ensure that Nigerian economy is more dependent on export rather than import.

It is further recommended that the Nigerian government should diversify our economy by exploring and opening up new investment opportunities and ensure conducive investment environment as well as attractive investment conditions so as to attract foreign investors through which the economy will generate foreign currency and thereby improve.

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