ISSN:
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Original Research Article

THE ACCOUNTANT AND ECONOMIC RECESSION IN NIGERIA: EVIDENCE FROM BAYELSA STATE

C. O. Akenbor (Ph.D)[1] & L. A. Nwanyanwu (Ph.D)[2]
[1] Department of Accounting, Federal University, Otuoke Bayelsa State
[2] Department of Accountancy, Rivers State University, Port Harcourt

* For correspondence, email:akenborcletus@yahoo.com
Received: 12/10/2017 Accepted: 12/12/2017

Abstract
The purpose of this study is to investigate the relationship between the Accountant and economic recession in Nigeria. To achieve this purpose, a review of the extant literature was made and it was hypothesised that the Accountant has no significant relationship with economic recession in Nigeria. In this study, two thousand three hundred (2300) trading businesses and individuals in government employment in Bayelsa State of Nigeria, were selected through purposive sampling. The data for this study were generated through the administration of questionnaire designed in 5-point Likert scale. Findings indicate that Nigeria is still in economic recession and the accountant is not effective in his role expectations. In addition, a significant relationship exists between the accountant and economic recession in Nigeria, which suggests that increased effectiveness in accountant role expectations can lead the country out of recession. Accountant must therefore be more committed to his role with high level of competence, integrity, transparency, and probity.

Keywords: Accountant, Economic Recession, Role expectations, Bayelsa State, Nigeria
JEL Classification:

1.0 INTRODUCTION

Recession is not a new phenomenon. In the time of old, many countries and territories experienced recession or even depression. In the Bible, it is on record that Egypt was at a time in a recession as it is written in the Book of Genesis 41:53-56:

> *Then the seven years of abundance in the land of Egypt came to an end and the seven years of famine began, just as Joseph said. There was famine in every country, but throughout the land of Egypt there was food. Extreme hunger came to all the land of Egypt, and the people cried out to Pharaoh for food. Pharaoh told all the Egyptians go to Joseph and do whatever he tells you. Because the famine has spread across the whole country, Joseph opened up all the storehouses and sold grain to the Egyptians, for the famine was severe in the land of Egypt.*

The Biblical account quoted above revealed that nations of the world have experienced economic recession in the past. Izzo (2010) stated that a substantial number of nations were in recession as of early 2009. The United States (US) experienced a recession at the end of 2007 and 2008 and others, such as China and Canada followed suit. The US recession of 2007 ended in June 2009 as the nation entered economic recovery. The United Kingdom was in recession in the year 2000.

Economic recession is defined as a negative economic growth for two consecutive quarters (Shiskin, 1974). In other words, a recession is a state of the economy where production, trading, and consumption activities are temporarily at low ebb. According to Krugman (2009), the indicator of these low economic activities is a drop in real GDP, income, employment, manufacturing and retail sales or drop in consumption, investment, government spending and net export. During recession, macroeconomic indicators such as GDP, investment spending, capacity utilization, household income, business profits and inflation fall, while bankruptcies and unemployment rate rise.

The 2016 reports of the National Bureau of Statistics show that Nigeria is in economic recession. The Governor of Ogun State, Mr. Ibikunle Amosun and his Gombe State counterpart Ibrahim Dankwambo, and many others have tasked professional accountants, during ICAN's 46th Conference held on the 10th - 14th October, 2016 at the International Conference Centre, Abuja to lead the country out of recession as they have what it takes to do so. This clarion call on the accountants to lead the country out of recession is the motivation for this study. The question therefore is can the accountant actually lead the country out of recession?

According to Perks (1993), an accountant is a practitioner of accounting, which is the measurement, disclosure or provision of assurance about financial information that helps managers, investors, tax authorities and other stakeholders make decisions about allocating resources. In today's increasingly competitive and uncertain business environment, organisations competing for customers face a number of factors and issues that are outside their control and which affect performance; and governments complain of little resources available for the provision of social benefits to the people. Professional accountants therefore, have a vital role to play in commercial success and good governance by using their increasingly valuable knowledge in a way which gives their organisations or clients a competitive advantage. We cannot make the above claim by a common rule of the thumb but an empirical study that tends to establish a link between the accountant and economic recession. However, there appears to be dearth of prior empirical evidence on the relationship between the accountant and economic recession in Nigeria. The few available ones are foreign based and therefore lack local contents. It is against this backdrop that this study is consummated to establish the relationship between the accountant and economic recession in Nigeria and it is hypothesised that the accountant has no significant relationship with economic recession in Nigeria.

2.0 LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

The Concept of Economic Recession

Before we explain the concept of economic recession, it is important that we explain the meaning of an economy because a recession is a state of an economy. An economy refers to all activities related to production, distribution or trade and consumption of goods and services by individuals, businesses and governments in a defined area (country). According to Samuelson (2010), there are different states of an economy such as boom, recession, depression, and recovery. Boom is a period of significant output or growth in Gross Domestic Product (GDP) within a population. It is marked by increase in productivity, wage increases and rising demand. Recession is a period of temporary economic decline during which trade and industrial activities are reduced, generally identified by a fall in GDP in at least two successive quarters or six months. Depression is a sustained, long-term downturn in economic activities. It is a state of the economy resulting from an extended period of negative economic activities. Recovery is a state of gradual restoration of economic activities after a period of recession and or depression.

The National Bureau of Economic Research (2007:16) defined a recession as "a significant decline in economic activity spread across the economy and lasting for more than few months, visible through the wholesale-retail sales, industrial production, employment, real income and gross domestic product." In general, the economic recession is defined by a long-lasting increase of unemployment, drop in the stock market, negative growth of GDP and decline of the housing market. A recession is destructive: it creates wide-spread unemployment at a very high rate. This is exactly the case we are experiencing presently in Nigeria where most workers particularly in the banking and oil sectors are being laid-off. As the unemployment rate rises, consumer purchasing power fall even more and businesses go bankrupt. In many recessions, people lose their homes when they cannot afford their rent payments and young people cannot get a good job after graduation. Even if the recession is short, its impact can be long-lasting (Estrella & Mishkin, 1995). According to Koo (2009), one good thing about a recession is that it cures inflation. The monetary authority of a State always balances between slowing the economy enough to prevent inflation without triggering a recession. In a nutshell, an economic recession is a period when a country is to have a retrospect of her activities and re-strategised. Governments usually respond to recessions by adopting expansionary macroeconomic policies, such as increasing money supply, increasing government spending and decreasing taxation.

According to National Bureau of Statistics as reported by Temitayo (2017), Nigeria is in economic recession and the causes of the recession include: government inability to save; over-dependence on foreign products; poor economic policies of government; the delay and controversies of the 2016 budget; the activities of militants and pipeline vandals as well as the activities of the Boko Haram insurgency. Another cause of economic recession in Nigeria as revealed in literature is the ban of essential agricultural products with no gestation period. The products, like tomatoes, rice, beans, and pepper were banned for import as Nigeria decided to fill the demand by itself. Nevertheless, additional removal of fuel subsidy and the banning of these products only sponsored the speculation in the stock market (Temitayo, 2017).

Akenbor (2017) asserts that the implementation of the Treasury Single Account (TSA) policy is yet another cause of recession in Nigeria. He further posits that the idea of TSA was created by the Government to stop corruption and consolidate all funds of the Federal Government, but real results were devastating. The imminent withdrawal of deposits from banks did give them the ability to guarantee the loan facilities to the customers. Governments' deposits were a reliable source of deposits for commercial banks, and their withdrawal was a serious damage to the banks.

The degree of the following macroeconomic variables determines whether a country is in a recession or not.

Income: *Staff (2012), defined* income as money that an individual, business or government receives in exchange for providing a good or service or through investing capital. Income is consumed to fuel day-to-day expenditures. Most people receive the majority of their income from salaries or wages earned from a job. The flow of cash or cash-equivalents received from work (wage or salary), capital (interest or profit), or land (rent) is known as income. It is the excess of revenue over expenses for an accounting period. It is also called earnings or an amount by which total assets increase in an accounting period.

Income is the consumption and savings opportunity gained by an entity within a specified timeframe, which is generally expressed in monetary terms. However, for households and individuals, "income is the sum of all the wages, salaries, profits, interest payments, rents, and other forms of earnings received in a given period of time (Barr, 2004:99). Income and not the GDP is the engine that drives an economy because only it can create demand.

Unemployment: Unemployment is a phenomenon that occurs when a person who is actively searching for employment is unable to find work. Unemployment is often used as a measure of the health of the economy (*Anyadike-Danes & Godley 1989)*.

Unemployment as defined by the Bureau of Labor Statistics (BLS) and cited by Amadeo (2017) refer to people who do not have a job, have actively looked for work in the past four weeks and are currently available for work. Also, people who were temporarily laid off and were waiting to be called back to that job are included in the unemployment statistics. The unemployment rate is a measure of the prevalence of unemployment and it is calculated as a percentage by dividing the number of unemployed individuals by all individuals currently in the labour force. During periods of recession, an economy usually experiences a relatively high unemployment rate. According to International Labour Organization (ILO) report, more than 200 million people globally or 6% of the world's workforce were without a job in 2012 (Global Employment Trends, 2013).

There remains considerable theoretical debate regarding the causes, consequences and solutions for unemployment. Classical economics, new classical economics and the Austrian School of Economics argue that market mechanisms are reliable means of resolving unemployment. These theories argue against interventions imposed on the labour market from the outside such as unionization, bureaucratic work rules, minimum wage laws, taxes and other regulations that they claim discourage the hiring of workers. John Maynard Kaynes as cited by Amadeo (2017) believes that the root cause of unemployment is the desire of investors to receive more money rather than produce more products, which is not possible without public bodies producing new money. The unemployment rate is expressed as a percentage of unemployed workers and total labour force of a country.

Production: Production is the creation of goods and services in order to satisfy the needs of individuals, businesses and governments. For production to take place, certain resources are required such as land, labour, capital and entrepreneur. Resources are the inputs used in the production process to produce output—that is, finished goods and services (Parkin & Gerardo, 1999). According to O’ Sullivan & Sheffrin (2003), there are two types of factors: primary and secondary. The primary factors facilitate production but neither become part of the production nor become significantly transformed by the production process. The primary factors include land, labour, capital and entrepreneur. Land is a fixed but free gift of nature required for production. It includes not only the site of production but natural resources above or below the earth surface such as water, forest, mineral resources, etc. Its reward is rent. Labour is the physical and mental efforts of man directed to production. Its reward is wages and salaries. Capital is the wealth reserved for the production of further wealth. It is the financial resources needed to carry out production. Its reward is interest. Entrepreneur is the managerial skills needed to co-ordinate other factors and put them into effective use for the realisation of organisational goal. Its reward is profit. The secondary factors form part of the production and are significantly transformed by the production process. Examples are materials and machines. Materials are considered secondary factors because they are obtained from land, while machines, equipment and tools are man-made. Recent usage has distinguished human capital (the stock of knowledge in the labour force) from labour (Samuelson & William, 2004). Sometimes, the overall state of technology is described as a factor of production (O' Sullivan & Sheffrin, 2003). In a production process, a decision must be made by the entrepreneur as to what to produce, how to produce, when to produce, where to produce and for whom to produce (Akenbor, 2017).

Trading: In the commodity market the term trading simply involves the buying and selling of goods and services with compensation paid by a buyer to a seller, or the exchange of goods or services between parties. The most common medium of exchange for these transactions is money. *Samuelson (1939) claimed that t*rade exists due to the specialization and division of labour, in which most people concentrate on a small aspect of production, but use that output in trades for other products and needs. Trade exists between regions because different regions may have a comparative advantage (perceived or real) in the production of some trade-able commodity—including production of natural resources scarce or limited elsewhere, or because different regions' sizes may encourage mass production. As such, trade at market prices between locations can benefit both locations. Trade may be retail, wholesale or international.

Parkin and Gerardo (1999) described retail trade as consisting of the sale of goods or merchandise from a fixed location, such as a department store, boutique or kiosk, online or by mail, in small or individual lots for direct consumption or use by the purchaser. Wholesale trade is defined as the sale of goods that are sold as merchandise to retailers, or industrial, commercial, institutional, or other professional business users, or to other wholesalers and related subordinated services. *Dollar and Kraay (2004), assert that i*nternational trade is the exchange of goods and services across national borders. In most countries, it represents a significant part of GDP. While international trade has been present throughout much of history, its economic, social, and political importance have increased in recent centuries, mainly because of industrialization, advanced transportation, globalisation, multinational corporations and outsourcing.

However, in financial markets, trading refers to the buying and selling of securities, such as the purchase of stock on the floor of the Nigerian Stock Exchange (NSE). It is the same principle with trading of goods and services.

Consumption: The process in which the substance of a thing is completely destroyed, used up, or incorporated or transformed into something else, is called consumption. It is the use of a product or service until it has no remaining value. Consumption of goods and services is the amount of them used in a particular time period. Consumption is typically defined as final purchases by an individual that are not investments of some sort (*Deaton, 1992)*. In other words when you buy food, clothes, flight or bus tickets, a car, insurance, have your hair cut, etc., that is consumption.

Most purchases are viewed as consumption or investment. If someone buys a house to live in, that should be defined as consumption. But if he buys a house to rent it out to someone else, that should be defined as an investment. Similarly, if one buys a car to drive, that is consumption. But if he buys a car to use as a taxi for a business, that could be construed as an investment. In short, the reason for the purchase determines whether it is viewed as an investment or as consumption.

According to Samuelson & William (2004) the total consumer spending in an economy is generally calculated using the consumption function, a metric devised by John Maynard Keynes, which simply expresses consumption as a function of the aggregate disposable income. This metric essentially defines consumption as the part of disposable income that does not go into saving. The consumption function is a mathematical function that expresses consumer spending in terms of its determinants, such as income and accumulated wealth. The Keynesian consumption function is also known as the absolute income hypothesis, as it only bases consumption on current income and ignores potential future income (or lack of). Criticism of this assumption led to the development of Milton Friedman's permanent income hypothesis and Franco Modigliani's life cycle hypothesis. More recent theoretical approaches are based on behavioural economics and suggest that a number of behavioural principles can be taken as microeconomic foundations for a behaviourally-based aggregate consumption function *(Mackay, 1997).*

Investment: According to Watson (2005), investment is the purchase of goods that are not consumed today but are used in the future to create wealth. In finance, an investment is a monetary asset purchased with the idea that the asset will provide income in the future or will be sold at a higher price for a profit. It is the act of committing money or capital to an endeavour with the expectation of obtaining an additional income or profit.

To invest is to allocate money (or sometimes another resource, such as time) in the expectation of some benefit in the future. In finance, the benefit from investment is called a return. The return may consist of capital gain or investment income, including dividends, interest, rental income etc., or a combination of the two. The projected economic return is the appropriately discounted value of the future returns. The historic return comprises the actual capital gain (or loss) or income (or both) over a period of time (Robert & Vittorio, 1994).

Investment generally results in acquiring an asset. If the asset is available at a price worth investing, it is normally expected either to generate income, or to appreciate in value, so that it can be sold at a higher price (or both). Investment may be real assets investment or financial assets investment. Real assets investment is the investment in physical assets, such as properties while financial assets investment is the investment in securities *(Mackay, 1997).*

Graham ands Dodd (2002), claimed that i*nvestors* generally expect higher returns from riskier investments. Financial assets range from low-risk, low-return investments, such as high-grade government bonds, to those with higher risk and higher expected commensurate reward, such as emerging markets stock investments. Investors are often advised to adopt an investment strategy and diversify their portfolio. Diversification has the statistical effect of reducing overall risk.

Government Spending: Government spending or expenditure includes all government consumption, investment, and transfer payments. According to Bishop (2012), *i*n national income accounting the acquisition of goods and services by governments for current use, to directly satisfy the individual or collective needs of the community, is classed as government final consumption expenditure. Government acquisition of goods and services intended to create future benefits, such as infrastructure investment or research spending, is classed as government investment (government gross capital formation). These two types of government spending on final consumption and on gross capital formation, together constitute one of the major components of gross domestic product.

Lequiller and Blades (2006) posit that government spending can be financed by government borrowing, taxes, and other sources of revenue. A change in government spending is a major component of fiscal policy used to stabilize the macroeconomic business cycle. For fiscal policy, increases in government spending are expansionary, while decreases are contractionary. John Maynard Keynes was one of the first economists to advocate government deficit spending (increased government spending financed by borrowing) as part of the fiscal policy response to an economic contraction. According to Keynesian economics, increased government spending, raises aggregate demand and increases consumption, which leads to increased production and faster recovery from recessions. Classical economists, on the other hand, believe that increased government spending exacerbates an economic contraction by shifting resources from the private sector, which they consider productive, to the public sector, which they consider unproductive.

According to Robert and Vittorio (1994) government spending can take different forms: final consumption expenditure, gross capital formation, and transfer payments. Final consumption expenditure is government acquisition of goods and services for current use to directly satisfy individual or collective needs of the members of the community is called government final consumption expenditure (GFCE.) It is a purchase from the national accounts "use of income account" for goods and services directly satisfying of individual needs (individual consumption) or collective needs of members of the community (collective consumption). GFCE consists of the value of the goods and services produced by the government itself other than own-account capital formation and sales and of purchases by the government of goods and services produced by market producers that are supplied to households – without any transformation – as "social transfers" in kind (Lequiller & Blades, 2006).

Government acquisition intended to create future benefits, such as infrastructure investment or research spending, is called gross fixed capital formation, or government investment, which usually is the largest part of the government (Robert & Vittorio, 1994). Acquisition of goods and services is made through production by the government (using the government's labour force, fixed assets and purchased goods and services for intermediate consumption) or through purchases of goods and services from market producers. In economic theory or in macroeconomics, investment is the amount purchased per unit of time of goods which are not consumed but are to be used for future production (i.e. capital). Examples include railroad or factory construction. Gross fixed capital formation in infrastructure spending is considered government investment because it will usually save money in the long run, and thereby reduce the net present value of government liabilities (Case & Fair, 2007).

Government expenditure that are not acquisition of goods and services, and which represent transfers of money such as social security payments, are called transfer payments. They are *payments made without any good or service being received in return.* These payments are considered to be exhaustive because they do not directly absorb resources or create output. In other words, transfers are made without an exchange of goods or services (Bishop, 2012). Examples of transfer payments include financial aid, social security, pension and government subsidies and incentives. *Private-sector transfers include charitable donations and prizes to lottery winners* (Bishop, 2012). According to the 2014 Index of Economic Freedom by the Heritage Foundation and the Wall Street Journal, government spending in Nigeria stood at 29 percent of Gross Domestic Product (GDP).

The Accountant

An accountant is a qualified person who is trained in bookkeeping and in the preparation, auditing and analysis of accounts. He prepares annual reports and financial statements for planning and decision making and advise on tax laws and investment opportunities. According to Perks (1993), an accountant is a practitioner of accounting, which is the measurement, disclosure or provision of assurance about financial information that helps managers, investors, tax authorities and others make decisions about allocating resources. The accountant could be a financial accountant, management accountant, government accountant, and internal or external auditor (Perks, 1993). The roles of an accountant include the following:

Cost Minimization: According to Vickers (2016) during economic recession, the accountant must cut costs to reduce the financial stress on the organization. The cost minimization strategies may include:

Constant Review of Expenses: The accountant is expected to implement best practices for tracking and managing operational costs, and quickly eliminate non-essential expenses. Implementing best practices for human resources is crucial. For example, for many organizations compensation and benefits are typically the largest expense items on the income statement. During a recession, the accountant is expected to advise management to keep compensation and benefits flat, and postpone salary increases until business improves. But for the accountant in public sector, recession is the time to advise the government to increase money supply and increase spending through workers salary increment. He is expected to compile a list of actions that could save the organization money. Okoye (2015) suggest that management should consider hiring part-time instead of full-time employees, establish alternative communication methods to eliminate unnecessary meetings that consume valuable executive time and review travel policies to eliminate non-essential travel expenses by taking advantage of free web conferencing whenever possible. Use technology to make operation more efficient.

Effective Working Capital Management: The accountant must carefully measure the amount of liquid assets the organization can generate and how much it needs. Again, best practices for accounting are essential so that management is always aware of the organization's cash position and can take advantage of any opportunities to expand and improve operations. In recession, organizations have to become more aggressive in collecting receivables, including calling significant customers before payment is due to ensure there are no delays in payment, and using collection agents in collecting outstanding receivables after detailed examination of cost benefit analysis (Oluwaseyi, 2017).

Businesses have been taught to pay off debt as quickly as possible so as to minimize the interest amount, but under recession, this is not advisable. Once you pay off your line of credit or credit card, you may quickly find the bank closes your account and makes the credit unavailable.

Aggressive Tax Planning: Taxes constitute a major cost of doing business. Tax planning is the act of identifying loop-holes in tax laws and taking advantage of them to reduce the tax liability of a business. The accountant is expected to display strategic tax behavior during recession. He must constantly review the tax laws to the advantage of the organization. Tax administrators are also expected to advise the government to reduce tax rate for businesses during recession in order to provide safe landing for businesses, thereby preventing bankruptcies (Okoye, 2015).

Budgeting and Forecasting. The accountants are to implement best practices in preparing and managing the budget, and for forecasting future revenues. During economic boom, accountants easily lose focus on the need for accurate and predictable budgeting. Similarly, forecasting revenue during recession becomes increasingly difficult as sales cycles lengthen and workforce reductions are often necessitated. Accounting operations must be streamlined and focused, and best practices need to be put in place so that senior management can make sure the business has enough cash on hand while avoiding operational surprises (Vicker, 2016).

Strategic Investment Behaviour: Recession is a period to plow excess cash back into the business to drive growth**.** An economic downturn can be a great time to invest in sales and marketing, but only if one is confident of the cash flows. Investing in capturing greater market share over time is a shrewd move during a recession — because most of the competitors cannot afford to do so. As difficult as a recession can be, they typically last from six-to-eighteen months. Things will indeed get better; it is only a matter of when the economy will improve. An investment in building distribution channel during a recession will prepare the business and government to capitalize on the inevitable economic recovery (Hensaw & Bennet, 2015).

Pricing Analysis and Decisions: The period of recession is usually not a good time to increase product and service prices, so understanding the organization cost structure is essential to drive down costs and optimize profits. If the cost analysis shows that the current price is not enough to cover costs and provide a reasonable profit, the organization have to find ways to be more efficient rather than increasing prices. Through customer relationship, the organization can understand the pains the customers are facing, and the organization should only consider raising prices during a recession if it is certain the organization is operationally efficient and have built strong relationships with customers who can understand and accept the reasons for the price increase.

More so, discounting pricing during recession is capable of putting the organization at a severe disadvantage to the competition when the economy turns, because organization will have trouble getting the price back to where it should be and profit margins will suffer (Oluwaseyi, 2017).

However, other roles of the accountant in economic recession are:

Increased Accountability

Accountability refers to transparency and integrity in the discharge of an accountant job. Accountant is the eyes and ears of the organization, be it business or government. He is expected to be more transparent and show integrity in the discharge of his job particularly during recession. Transparency in accounting records can unveil any form of fraudulent acts penetrated by employees, management and or third parties, which may have mounted financial stress on the organization (Shiller, 2011).

Ethical Responsibility

Professional accountants have an obligation to the public, their profession, the organization they serve and themselves to maintain the highest standards of ethical conduct. They must be professionally competent, confidential in their reports and records, and objective in disclosing any relevant information. Recession is the period when these ethical conducts of the accountant must not be compromised (Adekanlola, 2010).

3.0 METHODOLOGY

Theoretical Framework and Model Specifications

Balance Sheet Recession Theory

This study is anchored on the balance sheet recession theory by Paul Krugman. High levels of indebtedness or the bursting of a real estate or financial asset price bubble can cause what is called a "balance sheet recession" as coined by Paul Krugman in 2010. This is when large numbers of consumers or corporations pay down debt (i.e., save) rather than spend or invest, which slows the economy. The term balance sheet derives from an accounting identity that holds that assets must always equal the sum of liabilities plus equity. If asset prices fall below the value of the debt incurred to purchase them, then the equity must be negative, meaning the consumer or corporation is insolvent. Economist Paul Krugman wrote in 2014 that the best working hypothesis seems to be that the financial crisis was only one manifestation of a broader problem of excessive debt--that it was a so-called "balance sheet recession. In Krugman's view, such crises require debt reduction strategies combined with higher government spending to offset declines from the private sector as it pays down its debt.

Economic recession in this study is measured by income, employment, production, trading, consumption, investment, and government spending while the dimensions used for the accountant are his role expectations, which include constant review of expenses, aggressive tax planning, working capital management, budgeting and forecasting, strategic investment behaviour, pricing analysis and decisions, increased accountability and ethical responsibility. This is represented in a functional form as shown below:

ECR= [CRE, ATP, WCZ, BAF, SIB, PAD, ACC, ER] --- (i)

The econometric form of the model is presented as:

$ECR= f[\propto_o+\beta_1 ACC+\beta_2 ER+\beta_3 CRE+\beta_4 ATP+\beta_5 WCM+\beta_6 BAF+\beta_7 SIB+\beta_8 PAD +\text{-}\mu]$ ----------------------------- (ii)

As recommended by Phillip and Hodgson (1994), in order to eliminate the presence of heteroscedasticity and abnormal distribution of data in the regression model, a logarithm transformation of the variables was conducted and the regression model is redesigned as shown below:

$LogECR= f[\propto_{olog}+\beta_{1Log}ACC+\beta_{2log}ER+\beta_{3log}CRE+\beta_{4Log}ATP+\beta_{5log}WCM+\beta_{6log}BAF+\beta_{7\,log}SIB+\beta_{8log}PAD +\text{-}\mu]$ ------(iii)

Where:

ECR = Economic Recession; ACC = Accountability; ER = Ethical Responsibility; CRE = Constant Review of Expenses; ATP = Aggressive Tax Planning; WCM = Working Capital Management; BAF = Budgeting and Forecasting; SIB = Strategic Investment Behaviour; PAD = Pricing Analysis and Decisions; $\propto$ = Regression Constant; β_{1}-β_8 = Regression Co-efficient; Log = Logarithm Transformation; μI = Error Term

The model is based on the assumption that effectiveness in the accountant role expectations may bring the economy out of recession

The survey method of research design was adopted for this study and a selection of one thousand two hundred (1200) trading businesses and one thousand one hundred (1100) individuals in government employment, resident in Yenagoa, the capital of Bayelsa State was made through purposive sampling. On the whole, two thousand three hundred (2300) respondents were considered for this study.

In this study, role expectations were used as constructs for the accountant and a number of variables were used as measures for economic recession. The instrument for data collection is the questionnaire, which was designed in 5-point Likert scale of strongly agree (5), agree (4), indifferent (3), disagree (2), and strongly disagree (1). Prior to its administration, the questionnaire was tested for face and contents validity and its reliability was measured using Cronbach alpha, which revealed a correlation coefficient of 0.83. The result of the reliability tests is as shown in the Tables below.

Table 1.0: Reliability coefficient of economic recession constructs

S/N	Economic Recession	Cronbach alpha
1.	Income level and per capita income of the people of Bayelsa State is low	0.79
2.	Job creation and the rate of employment in the State is not encouraging	0.81
3.	Production activity is at low ebb in the State	0.73
4.	There is a drastic drop in trading activity and distribution of goods and services in the State	0.78
5.	The rate of consumption of goods and services in the State is on the decline	0.91
6.	Physical assets investment and the rate of investment in the capital markets in the State has reduced	0.87
7.	Government spending on final consumption, gross capital formation, and transfer payments in the State is not commendable	0.94

Source: SPSS Version 22 Window Output

Table 2.0: Reliability coefficient of the accountant measures

S/N	The Accountant	Cronbach alpha
1.	Accountants constantly review expenses and eliminate non-essential costs during this period of recession	0.93
2.	Accountants carefully measure the amount of liquid assets available to the organization for effective working capital management in time of recession	0.77
3.	Accountants engagement in aggressive tax planning for the organization's benefits is quite encouraging in this period of recession	0.74
4.	Budgeting and forecasting of costs and revenues has become a routine activity of the accountant during recession period	0.79
5.	Accountants demonstrate strategic investment behavior and advise managers and government to take advantage of profitable investment opportunities in recession period	0.88
6.	Accountants usually analyze products and services prices thereby optimizing profits and achieving efficiency in the period of recession	0.89
7.	Accountants have increased accountability to unveil fraudulent acts perpetrated by employees, management, government officials and politicians during this period of recession	0.90
8.	Ethical responsibility of the accountant has greatly increased during this recession period	0.80

Source: SPSS Version 22 Window Output

The results of the reliability test indicated by the Cronbach alpha coefficients showed that our measures fall within the standard of 0.70 and above as established by Nunnally (1978). We therefore conclude that our research questionnaire is highly reliable and the internal consistency of the variables measures is high. It therefore serves as a useful instrument for this study.

The statistical methods of data analysis adopted in this study are both descriptive and inferential. While the descriptive statistics (mean) was used in ascertaining the strengths of the accountant considering its dimensions, the inferential statistics (Ordinary Least Squares - OLS regression) was used in testing the stated hypotheses These were computed with the aid of the Statistical Package for Social Science Research (SPSS) version 22.

4.0 ESTIMATION RESULTS AND DISCUSSION OF FINDINGS

Although two thousand three hundred (2300) copies of the questionnaire were administered, we could not retrieved two hundred and thirteen (213) copies. This however represents about 90.74% response rate, which is highly satisfactory.

The respondents were asked to indicate their degree of agreement with measures of economic recession and their responses are presented in Table 3.0 below.

Table 3.0: Degree of agreement with measures of economic recession

S/N	Economic Recession	SA (5)	A(4)	I(3)	D(2)	SD(1)	Total	Mean
1.	Income level and per capita income of the people of Bayelsa is low	180 (900)	910 (3640)	15 (15)	890 (1780)	92 (92)	2087 (6427)	3.07
2.	Job creation and the rate of employment in the State is not encouraging	500 (2500)	1034 (4136)	0 (0)	866 (1732)	313 (313)	2087 (8681)	4.16
3.	Production activity is at low ebb in the State	960 (4800)	210 (840)	0 (0)	617 (1234)	300 (300)	2087 (7174)	3.44
4.	There is a drastic drop in trading activity and distribution of goods and services in the State	823 (4115)	360 (1440)	0 (0)	600 (1200)	304 (304)	2087 (7059)	3.38
5.	The rate of consumption of goods and services in the State is on the decline	149 (745)	880 (3520)	6 (18)	952 (1904)	100 (100)	2087 (6287)	3.00

6.	Physical assets investment and the rate of investment in the capital markets in the State has reduced	750 (3750)	418 (1672)	3 (9)	400 (800)	516 (516)	2087 (6747)	3.23
7.	Government spending on final consumption, gross capital formation, and transfer payments in the State is not commendable	621 (3105)	1002 (4008)	9 (27)	714 (1428)	259 (259)	2087 (8827)	4.23
	Average Total							**3.50**

Source: Field Work (2017) Note: The figures in bracket are weighted frequencies.

As shown in Table 3.0, the mean score of the various measures of economic recession, which is above the average of 3.0 on a 5 point Likert scale indicate that the level of income is low; job creation and the rate of employment in the State is not encouraging; production activity is at low ebb; there is a drastic drop in trading activity and distribution of goods and services; physical assets investment and the rate of investment in the capital markets has reduced; and government spending on final consumption, gross capital formation, and transfer payments is not commendable. However, we could not establish a clear-cut position on whether the rate of consumption of goods and services is on the decline because the mean score obtained on this measure of economic recession (3.0) is equal to the average of 3.0 on a five- point Likert scale.

In summary, since the average total of the measures of economic recession (3.50) is greater than the average of 3.0 on a five point Likert scale, it is concluded that there is economic recession in Nigeria.

The respondents were asked to indicate their degree of agreement with the accountant role expectations and their responses are presented in Table 4.0.

Table 4.0: Degree of agreement with the accountant role expectations

S/N	The Accountant	SA (5)	A(4)	I(3)	D(2)	SD(1)	Total	Mean
1.	Accountants constantly review expenses and eliminate non-essential costs during this period of recession	38 (190)	412 (1648)	2 (6)	1280 (2560)	355 (355)	2087 (4759)	2.28
2.	Accountants carefully measure the amount of liquid assets available to the organization for effective working capital management in time of recession	200 (1000)	904 (3616)	0 (0)	948 (1896)	35 (35)	2087 (6547)	3.14
3.	Accountants engagement in aggressive tax planning for the organization's benefits is quite encouraging in this period of recession	218 (1090)	944 (3776)	2 (6)	890 (1780)	33 (33)	2087 (6685)	3.20
4.	Budgeting and forecasting of costs and revenues has become a routine activity of the accountant during recession period	150 (750)	910 (3640)	10 (30)	1000 (2000)	23 (23)	2087 (6443)	3.09
5.	Accountants demonstrate strategic investment behavior and advise managers and government to take advantage of profitable investment opportunities in recession period	418 (2090)	155 (620)	0 (0)	1000 (2000)	514 (514)	2087 (5224)	2.50

6.	Accountants usually analyze products and services prices thereby optimizing profits and achieving efficiency in the period of recession	45 (225)	300 (1200)	14 (42)	810 (1620)	918 (918)	2087 (4005)	1.92
7.	Accountants have increased accountability to unveil fraudulent acts perpetrated by employees, management, government officials and politicians during this period of recession	310 (1550)	19 (76)	0 (0)	1018 (2036)	740 (740)	2087 (4402)	2.11
8.	Ethical responsibility of the accountant has greatly increased during this recession period	162 (810)	99 (396)	18 (54)	1008 (2016)	800 (800)	2087 (4076)	1.95
	Average Total							**2.52**

Source: Field Work (2017)

Note: The figures in bracket are weighted frequencies.

As shown in Table 4.0, the mean score of the various dimensions of the accountant, which is below the average of 3.0 on a 5 point Likert scale indicate that accountants do not constantly review expenses so as to eliminate non-essential costs during this period of recession; accountants are not demonstrating strategic investment behavior neither are they advising managers and government to take advantage of profitable investment opportunities in period of recession; accountants are not analysing products and services prices to optimize profits and achieve efficiency in this time of recession; there is no increased accountability by the accountants to unveil fraudulent acts perpetrated by employees, management, government officials and politicians during this period of recession; and there is no increased ethical responsibility of the accountant during this recession period.

Further analysis however shows that accountants carefully measure the amount of liquid assets available to the organization for effective working capital management in period of recession; accountants engagement in aggressive tax planning for the organization's benefits is quite encouraging in this period of recession; and budgeting and forecasting of costs and revenues has become a routine activity of the accountant in this recession period, since the mean score of theses dimensions are above the average of 3.0 on a 5 point Likert scale.

In summary, since the average total on the accountant role expectations (2.52) is less than the average of 3.0 on a five point Likert scale, the accountants' role expectations in this economic recession in said to be low.

In testing the stated hypothesis in this study, data generated on economic recession were regressed with data on the accountant's role expectations, and the result obtained is presented in Table 5.0.

Table 5.0: Results of the Regression Analysis

Model	Unstandardized Coefficients		Standardized coefficient	t	Sig.
	B	Std. Error	Beta		
1 (constant)	-3.146	0.634		3.859	0.000
CRE	0.050	0.062	0.054	0.801	0.424
ATP	0.389	0.074	0.368	5.252	0.000
WCM	0.335	0.073	0.347	4.607	0.000
BAF	2.516	0.632	0.291	1.901	0.050
SIB	2.304	0.612	0.279	1.932	0.051
PAD	2.010	1.023	0.101	1.965	0.051
ACC	0.724	0.083	0.611	8.743	0.000
ER	1.215	0.454	0.546	2.088	0.025

a. Dependent Variable: ECR

As shown in Table 5, a significant relationship exists between economic recession (ECR) and accountant role expectations of aggressive tax planning (ATP), effective working capital management (WCM) and budgeting and forecasting (BAF), increased accountability (ACC), and ethical responsibility (ER). However no significant relationship seem to exist between economic recession (ECR) and accountant role expectations of constant review of expenses (CRE), strategic investment behaviour (SIB), price analysis and decisions (PAD).

In assessing the holistic impact of the accountant role expectations on economic recession, a multiple regression analysis was conducted, and the result obtained is presented in Table 6.0 below.

Table 6.0: Multiple Regression Analysis

Model	R	R SQUARE	ADJUSTED R SQUARE	F	Sig.
1	.811	.658	.639	74.643	.000

Source; SPSS Version 22 Window Output

Table 6.0 above shows a multiple correlation coefficient of 0.811, which is high. This suggests that there is a strong relationship between the accountant and economic recession in Bayelsa State of Nigeria. The multiple co-efficient of determination (R^2) of 0.658, indicates that about 65.8% of the change in economic recession is attributed to the effectiveness of the accountant role expectations. In other words, only about 34.2% change in economic recession is due to other variables other than the accountant role expectations; hence the model is a good fit and nicely fitted. The p-value (0.000), which is less than 0.05 level of significance, and the f-ratio of 74.643 suggest a significant linear relationship. This implies that accountant has a significant relationship with economic recession in Nigeria.

Having estimated the model and computed the coefficients, as presented in Table 6.0 the resultant model is as shown below:

ECR = f (-3.146 + 0.054CRE + 0.368ATP + 0.347WCM + 0.291BAF + 0.279 + 0.101 + 0.611ACC + 0.546ER)

The model implies that at a given level of accountant's role expectations, economic recession will decline, since the regression constant in the model as shown in Table 5 is negative.

The results of our analysis have shown that accountant has a significant relationship with economic recession in Nigeria. The accountant role expectations of aggressive tax planning, effective working capital management, budgeting and forecasting, increased accountability, and ethical responsibility have a significant impact on economic recession. But other role expectations such as constant review of expenses, strategic investment behavior, and price analysis and decisions equally have a relationship with economic recession though insignificant. These findings are in affirmation with Adekanlola (2010), Henshaw and Bennet (2015), Okoye (2015), Vicker (2016), and Oluwaseyi (2017) who concluded in their separate works that accountant role expectations help to resolve economic recession. More so, this research work agrees with the comments of the Ogun State Governor and his Gombe State counterparts that accountant can lead the country out of recession if there is effectiveness in their role expectations.

5. CONCLUSION AND RECOMMENDATIONS

Recession is a temporary downturn in economic activity. During recession, there is a drop in production, distribution, and consumption of goods and services by individuals, businesses and governments. For the past few months, the Nigerian economy has been in a recession. Many individuals and households find it difficult to afford one square meal a day. Business activities are on the decline. Most businesses cannot afford the purchase of raw materials for production, neither are they able to maintain their payroll. State governments are unable to pay salaries and settle overhead expenses. Even the Federal Government is struggling with the payment of salaries. When an economy is at recession, almost everything falls apart and survival by individuals, businesses, and government becomes difficult. However, if the accountant becomes more effective in his role expectations, economic recession shall be a thing of the past.

Considering the findings of this study, and the conclusion drawn wherefrom, the following recommendations are made to keep the economy out of recession: (i) individuals, businesses and governments must reduce the rate of consumption. Part of what would have been consumed has to be saved and invested (ii) the accountant must become more committed to their work with high level of competency and professionalism (iii) the accountant must be adequately compensated for his work by the employer so as to mitigate the possibility of fraudulent practices (iv) accountants must as a matter of fact report without delay any form of unwholesome and sharp practices that may result to financial stress in the organizations or MDAs and (v) there should be tight internal control system and other internal audit functions to promote accountability, transparency, integrity, and probity.

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A QUESTIONNAIRE ON THE ACCOUNTANT AND ECONOMIC RECESSION IN NIGERIA: EVIDENCE FROM BAYELSA STATE

Instructions: Please tick the appropriate option in this section

Section A: Personal Data

1. What is the name of your organization? --
2. What sex are you? (a) Male (b) Female
3. What age bracket are you? (a) 15 – 24 (b) 25 – 34 (c) 35-44 (d) 45 – Above
4. What is your marital status? (a) Married (b) Single (c) Divorced (d) Widowed
5. What is your highest educational qualification? (a) SSCE (b) OND/NCE (c) HND/B.Sc
   (d) MBA/MSc
6. How long have you been in this organization? (a) 1- 10 years (b) 11-20 years (c) 21-30 years (d) 31years – Above

Section B:

1. **You are required to indicate your degree of agreement with the assertions on the measures of economic recession by indicating SA for strongly agree, A for agree, I for Indifferent, D for disagree, and SD for strongly disagree as presented in the table below:**

S/N	Economic Recession	SA (5)	A(4)	I(3)	D(2)	SD(1)
1.	Income level and per capita income of the people of Bayelsa State is low					
2.	Job creation and the rate of employment in the State is not encouraging					
3.	Production activity is at low ebb in the State					
4.	There is a drastic drop in trading activity and distribution of goods and services in the State					
5.	The rate of consumption of goods and services in the State is on the decline					
6.	Physical assets investment and the rate of investment in the capital markets in the State has reduced					
7.	Government spending on final consumption, gross capital formation, and transfer payments in the State is not commendable					

2. **You are required to indicate your degree of agreement with the assertions on accountant role expectations by indicating SA for strongly agree, A for agree, I for Indifferent, D for disagree, and SD for strongly disagree as presented in the table below:**

S/N	The Accountant	SA (5)	A(4)	I(3)	D(2)	SD(1)
1.	Accountants constantly review expenses and eliminate non-essential costs during this period of recession					
2.	Accountants carefully measure the amount of liquid assets available to the organization for effective working capital management in time of recession					
3.	Accountants engagement in aggressive tax planning for the organization's benefits is quite encouraging in this period of recession					
4.	Budgeting and forecasting of costs and revenues has become a routine activity of the accountant during recession period					
5.	Accountants demonstrate strategic investment behavior and advise managers and government to take advantage of profitable investment opportunities in recession period					
6.	Accountants usually analyze products and services prices thereby optimizing profits and achieving efficiency in the period of recession					
7.	Accountants have increased accountability to unveil fraudulent acts perpetrated by employees, management, government officials and politicians during this period of recession					
8.	Ethical responsibility of the accountant has greatly increased during this recession period					