The Global Economic Recession Phenomenon: A Realistic Policy Option the Way Out

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Abstract
The impact of Global economic recession was examined in the context of the political economy approach. The approach illuminates the causes dimensions and effects of global economic recession. It examined global economic recession as a variable between Micro and Macro factors in fiscal and monetary policies of the elitist economic managers and state government in the international economic system. It portrayed global economic recession as demise of political and economic capability and ineffectiveness of capitalism up surge of free markets and greed of those who failed to anticipate the consequences of their actions. It affirms that the political and economic implications of global economic recession can be ameliorated through concerted efforts between states in the international economic system and national governments; under a broad regulatory framework devoid of greed to share and sustain economic growth in the beleaguered financial sector.
Keywords: Global Economy, Economic Recession, Government, Micro, Macro etc.

1.1 Introduction and Conceptual Framework

Global economic recession is a recession that extends beyond national borders and affects the global economy. A global recession is a period of global economic showdown; Global economic growth of 3 percent or less is equivalent to global recession (IMF 2010). By this measure three periods qualify 1990-1993, 1998 and 2001-2002 (IMF 2010). True economic recession can only be confirmed if GDP (Gross Domestic Product) growth is negative for a period of two or more consecutive quarters. The root of recession rests in the several quartets of positive but slowing growth. In a mild recession the first quarter of negative growth is followed by slight positive growth; then negative growth returns and the recession trend continue. The National Bureau of Economic growth research (NBER) defines a recession as a significant decline in economic activity lasting more than a few months. During recession there is a significant decline in economic activity, usually-"lasting longer than six months and affecting industrial production, employment, real income, and trade. The I.M.F classified that global economic recession is caused by financial crises like the 2008 -2009 global financial crisis, oil shock, external demand shock, and tightening of monetary policy or contraction of fiscal policy. The I.M.F. described global economic-recession caused by financial crises as more severe and longer lasting than recessions associated with other shocks. I.M.F stated that previous global recessions" have been longer and deeper than those confined to one region. (IMF, 2010). A recession generally lasts from 6 to 18 months, and interest rates commonly fall during this time to stimulate the economy by offering cheap rates to borrow money.

Whereas a national recession is identified by two successive quarterly decline in GDP (Julius Shiskin, 1974, New York Times Article) defining a global, recession is more difficult because developing nations are expected to have a higher GDP growth than developed nations. According to IMF, the real GDP growth of the emerging and developing countries is on an uptrend and that of advanced economics is on a downtrend since late 1980s. The world growth is projected to slow from, 5% in 2007 to 3.75% in 2008 and to just over 2% in 2009. Down ward revisions in GDP growth vary across regions. Among the most affected are commodity exporters, and countries with acute external financing and liquidity problems. Countries in Asia (including china) have suffered smaller .declines because their financial situations are more robust. They have benefited from falling commodity prices and they have initiated a shift toward macroeconomic policy easing. The IMF estimates that global recessions seem to occur over a cycle lasting between 8 and 10 years. During what the IMF terms the past three global recessions of the last three decades, global per capital output growth was zero or negative (IMF 2010).

From the aforementioned, global economic recession have political and economic consequences on the nations and the international community. The political economy approach can be viewed as a totalizing scientific mode of analysis, the context within which socio-economic activities-takes place and the tool for understanding the maternal production in societies, the construction of social forces and classes. It provides for us holistic study of issues, phenomenon and policies in any society. The questions of why some countries are rich while others are poor, the problematique and the urge for primitive capital accumulation, the domineering role of capital in society, the control of developing countries by world Bank and I.M.F; the hegemonization of the Euro-dollar; the social responsibility of the state and the underlying forces and motives behind governments policies, actions and programmes, the social relations of production, distribution and exchange in a particular social formation commonly be meaningfully and scientifically studied from the political economy paradigm (Abubakar M and

Taiwo H. in Anifonsose R. etal 2005:38).

Political economy is the interface between politics and the economy. Economics undergirds almost everything in politics. Virtually all public policy choice has economic ramifications, which can make or break the policy. (Roskin M.G. etals 2008). Low inflation and low unemployment mode most Americans reasonably content with Clinton presidency. Economic policy takes priority and overshadows all other policies (Roskin M.G. etals 2008: 339) Effective public policies is the panacea to global economic recession. Public policies refer to the relationship of a government unit to its environment. (Eyeutone Robert 1971: 18) public policies is whatever governments choose to do or not to do. It is purposive behavior (Friedrich 1963:79). Public Policy "is a purposive course of action followed by an actor of sets of actors in dealing with a problem or matter of a concern (Anderson 1975:3) The formulation and implementation of international public policies by international monetary fund, World Bank and various state governments, will boost, global per capita output, growth gross domestic product industrial production, employment, real income, trade, deflation, stock market profit, and financial growth in the globe. The rest of the paper is sectioned into theoretical framework, methodology, analysis and conclusion and policy recommendations.

2.1 THEORETICAL FRAMEWORK

2.2 System Theory and Elite Theory

2.2.1 Systems Theory

David Easton popularized the Systems paradigm for the analysis of political life. According to Easton, a political system is "that system of interaction in any society through which binding and authoritative allocations are made. Easton analyzes political activity by employing the paradigm of the biological system whose life processes interact with each other and with the environment to produce a changing but nonetheless stable bodily state. Viewed this way, therefore, public policy is the response of the political system to forces brought to bear on it from the environment. Systems theory portrays public policy as an output of the political system. But systems theory is also a process theory of public policy. Certain key concepts are central to the understanding of public policy from the systems theoretic framework. First, is the concept of *system* which "implies, an identifiable set of institutions and activities in society that functions to transform demands into authoritative decisions requiring the support of the whole society". A crucial property of a system is the interrelatedness of its parts or elements. Furthermore, it is assumed that a system will respond to its environment and will seek to preserve itself. Second, is the concept of *inputs* which refers to the forces generated in the environment that affect the political system. Inputs can-take the form of *demand* and *support.* Demands involve actions by individuals and groups seeking authoritative allocations of values from the authorities'. Support comprises of actions rendered in favour of government such as obedience to the law and payment of taxes. Inputs are generated from the *environment.* "The environment is any condition or circumstance defined as external to the boundaries of the political system". Inputs are fed into the black box of decision making, otherwise called the conversion box, to produce *outputs.* Outputs are the decisions and policies of the authorities. Within the systems framework, allowance is made for feedback. This is the mechanism through which the outputs of the political system influence future inputs into the system. According to Anderson, "the concept of feedback indicates that public policies (or outputs) may subsequently alter the environment and the demands generated therein, as well as he character of the political system itself."

Systems theory is a dominant paradigm in orthodox theorizing about public policy. Its prominence in the policy analysis literature lies more in its disaggregation of the stages of the policy process and the opportunity it offers for further studies of these stages. In general, systems theory provides a convenient umbrella for capturing the complexity of the policy making process and is to that extent a valuable tool for organizing our inquiry into the causes and consequences of governmental action. In addition, systems theory poses a number of questions on the relationship between the environment and the political system and how the characteristics of the political system, in turn, affect the content of public policy, *inter alia.*

There are, however, problems with the use of systems theory in policy analysis. Much of these problems derive from the processual assumptions of the theory. The impression that is conveyed to the effect that policy making proceeds in a systematic way, beginning with input through 'thruput' and on to output, can hardly be substantiated in the real world of policy making. While not denying the relevance of the environment for the generation of inputs, the fact remains that demands and support as basic raw materials of policy are sometimes initiated within the political system. A fundamental assumption of systems theory is stability, an assumption that is implied in such notions as pattern maintenance, equilibrium etc. Much value is inevitably placed on the imperative of order and predictability. It is for this reason that systems theory is, not without some justification, labeled an ideological endorsement of the status quo. The implication of this characterization is that stability becomes a goal which is pursued at all cost even if it means suppressing legitimate demands. The utility of systems theory is even more worrisome in situations where stability is a problem and the policy making machinery is in dire need of change.

2.2.2 Elite Theory

Elite theory developed as an alternative paradigm to pluralism. Elite theory rejects the pluralist view concerning the distribution of power in society. In the alternative, elite theory points to the concentration of political power in the hands of a minority group which, according to Mosca, performs all political functions, monopolises power and enjoys the advantages that power brings.

From the perspective of elite theory, public policy may be viewed as the values and preferences of a governing elite. The assumptions of elite theory are captured by Thomas' Dye and Fiarmon Zeigler as follows:

i. Society is divided into the few who have power and the many that do not. Only a small number of persons allocate values for society; the masses do not decide public policy.
ii. The few who govern are not typical of the masses that are governed. Elites- are drawn disproportionately from the 'Upper' socioeconomic strata of society.
iii. The movement of non-elites to elite positions must be slow and continuous to maintain stability and avoid revolution. Only non-elites who have accepted the basic elite consensus can be admitted to governing circles.
iv. Elites share a consensus on the basic values of the social system and the preservation of the system.
v. Public policy does not reflect demands of the masses but rather the prevailing values of the elite. Changes in public policy will be incremental rather than revolutionary.
vi. Active elites are subject to relatively little direct influence from apathetic masses. Elite influence masses more than masses influence elites.

In its classical formulation, elite power could be acquired through military conquest, revolutionary overthrow, command of economic resources etc. In the modern state, however, elite status is associated with the development of large scale organisations and the resultant creation of different kinds of elites such as political, military and economic elites whose sources of power include access to formal political office, wealth, technical expertise, knowledge etc. What is significant for our purpose here is that it is these elites who make policy; that, when they do, they tend to reflect their values and preferences and that it is only a matter of coincidence if the policy decisions of the elite reflect the interests of the masses, as they sometimes do.

Put this way, elite theory assumes a conspiratorial character and is to that extent a provocative theory of public policy. It is conspiratorial because of the underlying premise about elite consensus on fundamental norms of the social system which limits the choice of policy alternatives to only those which fall within the shared consensus. The theory is provocative because of the implied characterization of the masses as passive, apathetic and ill-informed and the consequential relegation of their role in policy making. There are two other issues that should be raised concerning the relevance of elite theory for policy analysis. Even if we concede the leadership role of elites in policy formulation, strategic placement in elite position as a source of power is hardly a scientific conclusion. In addition, we know little or nothing about the specific form which the participation of the masses in the policy process takes.

3.1 METHODOLOGY

The research made use historical description and empirical research method. The historical method traced the history of global economic recession. The descriptive method described various dimensions of global economic recession while the empirical method presents data and information. The research employed secondary sources of data collection includes textbooks, journals and internet sources.

4.1 ANALYSIS DIMENSIONS FOR PERSPECTIVE PHENOMENON OF GLOBAL ECONOMIC RECESSION

The most talked about news is the current financial crisis that has engulfed the world economy. Every day the main headline of all newspapers is about our falling share markets, decreasing industrial growth and the overall negative mood of the economy. So what has caused this major economic upheaval in the world? What is the cause of falling share markets the world over and bankruptcy of major banks? In order to understand what is now happening in the world economy, we need to go a little back in past and understand what was happening in the housing sector of America for past many years. In US, a boom in the housing sector was driving the economy to a new level. A combination of low interest rates and large inflows of foreign funds helped to create easy credit conditions where it became quite easy for people to take home loans. As more and more people took home loans, the demands for property increased and fueled the home prices' further. As there was enough money to lend to potential borrowers, the loan agencies started to widen their loan disbursement reach and relaxed the loan conditions.

The loan agents were asked to find more potential home buyers in lieu of huge bonus and incentives. Since it was a good time and property prices were soaring, the only aim of most lending institutions and mortgage firms was to give loans to as, many potential customers as possible. Since almost everybody was driving by the greed factor during that housing boom period; the common sense practice of checking the customer's repaying capacity was also ignored in many cases. As a result, many people with low income and bad credit history or those who come under the NINJA (No Income, No Job, No Assets) category were given housing loans in disregard to all principles of financial prudence. Types of loans were known as sub-prime loans as those were are not part of prime loan market (as the repaying capacity of the borrowers was doubtful).

Since the demands for homes were at an all time high, many homeowners used the increase property value to refinance their homes with lower interest rates and take out second mortgages against the added value (of home) to use the funds for spending. The lending companies also lured the borrowers with attractive loan conditions where for an initial period the interest rates were low (known as adjustable rate mortgage (ARM). However, despite knowing that the interest rates would increase after an initial period, many sub-prime borrowers opted for them in the hope that as a result of soaring housing prices they would be able to quickly refinance at more favorable terms. However as the saying goes, “No boom last forever”, the housing bubble was to burst eventually. Overbuilding of houses during the boom period finally led to a surplus inventory of homes, causing home prices to decline beginning from the summer, of 2006.Once housing prices started depreciating in many parts of the U.S; refinancing became more difficult. Home owners, who were expecting to get a refinance on the basis of increased home prices, found themselves unable to re-finance and began to default on loans as their loans reset to higher interest rates and payment amounts.

In the US, an estimated 8.8 million homeowners - nearly 10.8% of total homeowners - had zero or negative equity as of March 2008, meaning their homes are worth less than their mortgage. This provided an incentive to "walk away" from the home than to pay the mortgage. Foreclosures (i.e the legal proceedings initiated by a creditor to repossess the property for loan that is in default) accelerated in the United States in late 2006. During-2007, nearly 1.3 million US housing properties were subject to foreclosure activity increasing foreclosure rates and unwillingness of many homeowners to sell their homes at reduced market prices significantly increased the supply of housing inventory available. Sales volume (units) of new homes dropped by 26.4% in 2007 as compare to 2006. Further, a record nearly four million unsold existing homes were for sale including nearly 2.9 million that were vacant. This excess supply of home inventory placed significant downward pressure on prices. As prices declined, more homeowners were at risk of default and foreclosure.

Now you must be wondering how this housing boom and its subsequent decline is related to current economic depression? After all it appears to be a local problem of America; unfortunately, this problem was not as straightforward as it appears. Had it remained a matter between the lenders (who disbursed risky loans) and unreliable borrowers (who took loans and then got defaulted) then probably it would remain a local problem of America. However, this was not case. For original lenders these subprime loans were very lucrative part of their investment portfolio as they were expected to yield a very high return in view of the increasing home prices. Since, the interest rate charged on subprime loans was about 2% higher than the interest on prime loans (owing to their risky nature); lenders were confident that they would get a handsome return on their investment. In case a sub-prime borrower continued to pay his loans installment, the lender would get higher interest on the loans. And in case a subprime borrower could not pay his loan arid defaulted, the lender would have the option to sell his home (on a high market prices) and recovered his loan amount. In both the situations the sub-prime loans were excellent investment options as long as the housing market was booming. Just at this point, the things started complicating.

With stock markets booming and the system flush with liquidity, many big fund investors like hedge funds and mutual funds saw subprime loan portfolios as attractive investment opportunities. Hence, they bought such portfolios from the original lenders. This in turn, meant the lenders had fresh funds to lend. The subprime loan market thus became a fast growing segment. Major (American and European) investment banks and institution relied heavily these loans (known as Mortgage Backed Securities, MBS) to diversify their investment portfolios. Most of these loans were brought as parts of CDOs (Collateralized Debt Obligations) are just like mutual funds with two significant differences. First unlike mutual funds, in CDOs all investors do not assume the risk equally and each participatory group has different risk profiles. Secondly, in contrast to mutual funds which normally buy shares and bonds, CDOs usually buy securities that are backed by loans (just like the MBS of subprime loans).

Owing to heavy buying of Mortgage Backed Securities (MBS) of subprime loans by major American and European Banks, the problem, which was to remain within the confines of US propagated into the words financial markets. Ideally, the MBS were a very attractive option as long as home prices were soaring in US. However, when the home prices started declining, the attractive investments in Subprime loans become risky and unprofitable (internet source). As the home prices started declining in the US, sub-prime borrowers found themselves in a messy situation. Their house prices were decreasing and the loan interest on these houses was soaring. As they could not manage a second mortgage on their home, it became very difficult for them to pay the higher interest rate. As a result many of them opted to default on their home loans and vacated the house. However, as the home prices were falling rapidly, the lending companies, which were hoping to sell them and recover the loan amount, found them in a situation where loan amount exceeded the total cost of the house.

Eventually, there remained no option but to write off losses on these loans. The problem got worsened as the Mortgage Backed Securities (MBS), which by that time had become parts of CDOs of giant investments banks of US and Europe, lost their value. Falling prices of CDOs dented banks investment portfolios and these losses destroyed banks' capital. The complexity of these instruments and their wide spread to major International banks created a situation where no one was too sure either about how big these losses were or which banks had been hit the hardest.

The effects of these losses were huge Global banks and brokerages have had to write off an estimated $512 billion in subprime losses so far, with the largest hits taken by citigroup ($55.1 billion) and Merrill Lyneh ($52.2 billion). A little over half of these losses, or $260 billion, have been suffered by US-based firms. $227 billion by European firms and a relatively modest $24 billion by Asian ones (internet source). Despite efforts by the US Federal Reserve to offer some financial assistance to the beleaguered financial sector, it has led to the collapse of Bear Sterns, one of the worlds; largest investment banks and securities trading firm. Bear Sterns was bought out by JP Morgan Chase with some help from the US Federal Bank (The central Bank of America just like RBI in India). The crisis has also saw Lehman Brothers - the fourth largest investment bank in the US and the one which had survived every major upheaval for the past 158 years file for bankruptcy. Merrill Lynch has been bought out by Bank of America. Freddie Mac and Fannie Mac, two giant mortgage companies of US, have effectively been nationalized to prevent them from going under. Reports suggest that insurance major AIG (American Insurance Group) is also under severe pressure and has so far taken over $82.9 billion so far to tide over the crisis.

From this point, a chain reaction of panic started. Since banks and other financial institution are like backbone for other major industries and provide them with investment 'capital and loans, a loss in the net capital of banks meant a serious detriment in their capacity to disburse loans for various businesses and industries. This presented a serious cash crunch situation for companies who needed cash for performing their business activities. Now it became difficult for them to raise money from banks. What is worse is the fact that the losses suffered by banks in the subprime mess have directly affected their money market the world over (internet source). Money Market is actually an inter-bank market where banks borrow and lend money among themselves to meet short-term need for funds. Banks usually never hold the exact amount of cash that they need to disburse as credit. The inter-bank market performs this critical role of bringing cash-surplus and cash-deficit banks together and lubricates the process of credit delivery to companies (for working capital and capacity creation) and consumers (for buying cars, white goods etc). As the housing' loan crisis intensified, banks grew increasingly suspicious about each other's solvency and ability to honour commitments. The inter-bank market shrank as a result and this began to hurt the flow of funds to the 'real' economy, panic begets panic and as the loan market went into a tailspin, it sucked other markets into its centrifuge.

The liquidity crunch in the banks has resulted in a tight situation where it has become extremely difficult even for top 'companies to take loans for their needs. A sense of disbelief and extreme precaution is prevailing in the banking sectors. The global investment community has become extremely risk-averse. They are polling out of assets that are even remotely considered risky and buying things traditionally considered safe-gold, government bonds and bank deposits (in banks that are still considered solvent). As such this financial crisis is the culmination of the above mentioned problems in the global banking system. Inter-bank markets across the world have frozen over. The meltdown in stock markets across the world is a victim of this contagion. Governments and central banks (like Fed in US) are trying every trick in the book to stabilize the markets. They have pumped hundreds of billions of dollars into their money markets to try and unfreeze their inter-bank and credit markets. Large financial entities have been nationalized.

The US government has set aside $700 billion to buy the 'toxic' assets like CDOs that sparked off the crisis. Central banks have got together to co-ordinate cuts in interest rates. Now of this has stabilized the global markets so far. However, it is hoped that proper monitoring and controlling of the money market will eventually control the situation (internet source). The underlying cause of this depression is the greed of those who failed to anticipate the consequences of their actions. On the ideological front it is high time to have a rethink on the idea of free market and capitalism by evolving a regulatory framework that guides the greedy people that negatively affects the lives of millions. An economic recession is primarily attributed to the actions taken to control the money supply in an economy. The Federal Reserve is the agency responsible for maintaining the delicate balance between money supply, interest rates, and inflation- When this delicate balance is tipped, the economy is forced to correct itself. The Fed sometimes deals with these situations by dumping huge amounts of money supply into the money market. This helps to keep interest rates low, even as inflation rises. Inflation is the rise in the prices of goods and services over a period of time. So, if inflation is increasing, it means that goods and services are costing more now than they did before. The higher the level of inflation, the smaller the percentage of goods and services which can be bought with a certain amount of money. There can be many contributing factors for inflation, which include but are not limited to increased costs of production, higher costs of energy, and/or the national debt. In an environment where inflation is prevalent, people tend to cut out things like leisure spending. They also budget more, spend less on things they usually indulge in, and start saving more money than they did. As people and businesses start finding ways to cut costs and derail unneeded expenditures, the GDP begins to decline. Then, unemployment rates will rise because companies start laying off workers to cut more costs, because consumers are not spending like before. It is these combined factors that manage to drive the economy into a state of recession (internet source).

This set of circumstances, coupled with the ability of people to get access to greater amounts of loan money due to extremely lax loan practices, creates a cycle of .unsustainable economic activity that will eventually grind in economy to a near halted existence. You could also say that a recession is actually caused by factors that might stunt the growth that is available from the short term benefits to an economy that can be brought about by such things like spiking oil prices or even war. And while these are very short term in nature usually, they have been known to correct themselves quicker than the full blown recessions that have happened in the past (internet source). Generally, an economic recession can be spotted before it actually happens. There are ways to spot it before it actually hits by observing the changing economic landscapes in quarters that come before the actual onset. You will still see GDP growth, but it will be coupled with signs like high unemployment levels, housing price' declines, stock market losses, and the absence of business expansion. When an economy sees more extended periods of economic recession, it goes beyond a recession and is declared that the economy is in a state of' depression.

The only real benefit of an economic recession is that it will help to cure inflation. In fact, the delicate balancing act that the Fed struggles to pursue is to slow the growth of the economy enough so that inflation will not occur, but also so that a recession will not be triggered in' the' process. Now, the Fed performs this balancing' act without the help of fiscal policy. Fiscal policy is usually trying to stimulate the economy as much as is possible through such things as lowering taxes, spending on programs and ignoring account deficits (internet source). The global economic recession has slowed down development and progress towards achieving the millennium Development Goals (MDGs) in Nigeria). The international monetary fund estimates that the global economy contracted by 0.6 percent in 2009 and the implications of this have been severe for many countries'(IMF 2010) Economic growth in developing countries was only 1.7 percent in 2009 compared with 8.1 percent in 2007. However, if china and India are excluded, the economics of developing countries actually contracted by 1.8 percent. The World Bank has estimated that an additional 64 million people will be living in extreme poverty on less than U$$ 1.2 5 a day by the end of 2010 as a result of global economic recession. (World Bank 2010).

The capacity of developing countries to respond to the crisis varied considerably. Countries on heavy reliance on export revenue and foreign investment were most exposed to the impacts of the down turn. Those with stronger economics were able to implement effective policy responses to support the economy and weathered the global recession relatively well. As of now Nigeria is facing heat on these grounds negative gross domestic growth, absence of business expansion, budget deficits, our share market are falling every day, extreme poverty, and increased debt burden. Naira is weakening against dollars, and other foreign currencies, our banks are facing severe cash crunch; resulting in shortage of liquidity in the market. The current financial crisis has also started to affect Nigerian industries. For the past few years, the two most preferred method of raising money by the companies were stock markets and external borrowings on low interest rates. Stock markets are bleeding everyday and it is not possible to raise money there. Regarding external borrowing from world markets, this option has also become difficult for Nigeria. A negative atmosphere, poor governance, low infrastructural growth, shortage of cash, housing facilities, increased unemployment, leadership ineffectiveness, policy instability, reduced economic growth rate, high mortality rate, brain drain and retrenchment, are some of the most visible aspects of the economic depression in Nigeria.

5.1 Conclusions and Policy Recommendations

5.1 Conclusions

The discourse affirms- that global economic recession is the product of economic stalemate and ideological differences in fiscal and monetary policies amongst states in the international political and economic system. It depicts the managerial incapability and ineffectiveness to global economy designed by the international bourgeoisies to protect their greedy interests. It is an elitist configuration masterminded by greed of capitalists when they diverted the economic resources entrusted in their hands to serve their private purposes, thereby depleting the economic reserves and finances in their states account. International trade and investment between states in the world' exacerbated vandalization of earth's resources giving rise to deepening unemployment, poverty, stock market losses, financial crisis, oil shock lightening of loan policies, and poor standard of living. The panacea to global economic recession is the regulation of free markets and capitalism, effective economic leadership's administrative changes world over, and inter-system economic development cooperation. The hope to global economic recovery in on the way if states in the international economy provide a range of growth enhancing initiatives in the area of infrastructural investment, rural development, double support for micro finance and financial services, culminating to achieve inclusive growth, economic resilience and accelerated progress towards achieving the millennium development goals.

5.3 Recommendations

Recovery from global economic recession challenges is on the way if the following suggestions are implemented.

1. Improvement in Current national employment rates, raising consumer confidence and spending levels.
2. Curbing inflation and balancing fiscal and monetary policies
3. Improvement in economic activity through increased industrial production, real income and trade.
4. Less reliance on export revenue and foreign investment
5. Building long term economic resilience and regain momentum towards achieving the millennium development goals.
6. Proper monitoring and controlling of the money market.
7. Investors withdrawal of money from foreign stock markets to meet liabilities at home.
8. Removal of greedy fiscal and monetary managers.
9. Evolving a regulatory framework for capitalism and free market
10. Quick and firm intervention of the CBN in stabilizing the financial sector.
11. Strengthening banking supervision by Asset Management Corporation of Nigeria (AMCON)
12. Recapitalizing insolvent banks and returning them to private hands.
13. Establishing clear criteria for eligible assets and ensuring full transparency and accountability of AMCON's operational and financial results.
14. Provision of sound macro-economic environment to promote private sector growth.
15. Shift in public resources from recurrent to capital spending, substantial increase in non-oil revenue, substantial expansion in budget implementation capacity, and priotization of public capital projects in the event of inadequacy of fiscal resources.
16. Government rebuilding of safety buffers, support an expansion of credit to the private sector.
17. Developing consistent macro-economic framework with fiscal and monetary authorities working together to achieve stability and growth.
18. Reduction in fiscal deficit for 2011 - 13.
19. Medium term fiscal policy for all levels of government should be anchored by a strong oil price rule which would align government spending with available resources.
20. The proposed Nigeria sovereign investment authority (NSIA) could help the country escape the destabilizing boom-bust cycle it has experienced over the years.
21. Embedding a well-defined oil price rule in legislation could help maintain fiscal discipline.
22. Federal, state and local government, budgets remain the most appropriate vehicle for allocating public resources to domestic infrastructure projects. Expenditures from the proposed domestic infrastructure component of NISA would need to be closely coordinated with fiscal and monetary policy as well as the investment projects contained in government budgets.
23. The CBN should conduct monetary policy to reduce inflation to a single-digit level, increase the monetary policy rate, and make better use of open market' operations to make its policy rate effective.
24. Efforts-to boost lending to small businesses should be promoted through targeted reforms, such as effective credit risk bureau, better collateral execution, bankruptcy procedures, and improved land tenure system.
25. Youths should be discouraged from migrating to foreign countries, but rather; appreciate that their state can provide the best environment necessary for their development.
26. The- U.N.O., I.M.F and World Bank shall pull physical economic, mental and human resources to manage global economic recession and its effect.
27. The economic endowment, fiscal and monetary of states organization should be entrusted in leaders with managerial and administrative ability.
28. Countries should learn to have confidence in their own economic strengths in order to forestall borrowed ideas and ideologies"
29. There should be patriotic ideological commitment to improve economies of the world by the various state governments and their citizens.
30. Foreign national sourjouring overseas should go back to their home countries in order to lessen the weight: of unemployment and social welfare 'in the 'countries they reside.
31. States in the international political system should not discriminate between nationals and non-national in employment opportunities and social welfare services during global economic recession.
32. International sanctions should be placed on states that encourages statelessness as a result of global economic recession by not providing employment opportunities to immigrants.
33. International and national monetary and financial institutions must develop monetary and fiscal .policies

that encourages grants and loans to individual and countries affected by the global economic recession.
34. Skills development and entrepreneurship must be funded and encouraged by national and international government and agencies.
35. Terrorism and war must be given less emphasis since it has negative long term effect on the international economic system.
36. Governments, individuals and corporate organizations must save more and spendless to manage unforeseen hazardous expenses arising from financial crisis and oil shock.

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