

The Impact of Corporate Finance on Financial Stability in the Western Balkan Countries

Authors : Luan Vardari, Dena Arapi-Vardari

Abstract : Financial stability is a critical component of economic growth and development, and it has been recognized as a key policy objective in many countries around the world. In the Western Balkans, financial stability has been a key issue in recent years, with a number of challenges facing the region, including high levels of public debt, weak banking systems, and economic volatility. Corporate finance, which refers to the financial management practices of firms, is an important factor that can impact financial stability. This paper aims to investigate corporate finance's impact on financial stability in Western Balkan countries. This study will use a mixed-methods approach to investigate the impact of corporate finance on financial stability in the Western Balkans. The study will begin with a comprehensive review of the existing literature on corporate finance and financial stability, focusing on the Western Balkan region. This will be followed by an empirical analysis of regional corporate finance practices using data from various industries and firms. The analysis will explore the relationship between corporate finance practices and financial stability, taking into account factors such as regulatory frameworks, economic conditions, and firm size. The results of the study are expected to provide insights into the impact of corporate finance on financial stability in the Western Balkans. Specifically, the study will identify the key corporate finance practices that contribute to financial stability in the region, as well as the challenges and obstacles that firms face in implementing effective corporate finance strategies. The study will also provide recommendations for policymakers and firms looking to enhance financial stability and resilience in the region.

Keywords : financial regulation, debt management, investment decisions, dividend policies, economic volatility, banking systems, public debt, prudent financial management, firm size, policy recommendations

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