©NIJLCL
Publications

Open Access
ISSN PRINT:2992-6130
ONLINE ISSN: 2992-5800

NEWPORT INTERNATIONAL JOURNAL OF LAW, COMMUNICATION AND LANGUAGES (NIJLCL)

Volume 4 Issue 2 2024

https://doi.org/10.59298/NIJLCL/2024/4.2.712248

Managing High Debt Levels: Strategies, Causes, and Impacts on Economic Stability

Aleke Jude Uchechukwu

Faculty of Economics and Management Kampala International University Uganda
Email: Jude.aleke@kiu.ac.ug; https://orcid.org/0009-0009-6807-9484

ABSTRACT

In recent years, the exponential growth of debt in many economic sectors, including people, enterprises, and governments, has emerged as a major worldwide issue, jeopardising economic stability. The high debt levels may be attributed to many factors, including stagnant earnings, increasing living expenditures, aggressive business development goals, and fiscal deficits. The ramifications of this buildup of debt are extensive, including serious financial hardship, reduced competitiveness, and decelerated economic development. This study analyses the causes and consequences of high levels of debt, highlighting the need for implementing efficient debt management techniques. Central strategies include improving financial literacy, advocating for responsible borrowing, adopting cautious financial management practices in firms, and attaining fiscal consolidation and structural changes at the governmental level. Furthermore, the study emphasizes the need for cutting-edge debt management strategies, such as the use of technology, to guarantee sustained economic strength and stability in the long run. This research emphasizes the crucial need to tackle excessive debt to avoid financial crises and maintain economic development in the presence of global economic difficulties.

Keywords: Debt Accumulation, Economic Stability, High Debt Levels, Financial Hardship, Competitiveness.

INTRODUCTION

In the current economic debate, high debt levels affect the stability and prosperity of both established and emerging countries. The complex dynamics of debt accumulation, driven by macroeconomic and microeconomic factors, have put immense pressure on individuals, corporations, and governments, necessitating a thorough examination of debt management strategies, causes, and economic stability. This decade has seen a growth in debt across all sectors of the global economy. According to the IMF [1], global debt reached an unprecedented $226 trillion, 256% of global GDP. Expansive fiscal policies, accommodating monetary policies, and COVID-19-induced economic shocks caused this frightening growth [2]. High debt levels may impede economic growth, make an economy more vulnerable to financial crises, and restrict fiscal room for economic reforms [3]. Different economic sectors have high debt levels for various reasons. Social welfare, infrastructure, and defence expenditures have caused government budget deficits and growing public debt [4]. Many governments borrow to support their expenditures, especially during economic downturns when tax revenues drop and fiscal stimulus is needed [5]. In addition, central banks' low interest rates have promoted excessive borrowing, resulting in governmental and private debt [6]. Companies are increasingly using debt to fund operations and development. Companies have leveraged their balance sheets due to cheap borrowing, and increasing debt-to-equity ratios [7]. Since SMEs have trouble getting equity funding, they rely primarily on debt to fund their operations [8]. The rise of leveraged buyouts and mergers and acquisitions has also increased corporate debt [9]. High living expenses, stagnating income, and greater credit availability have increased consumer debt [10]. Home purchases, education, and consumption have increased household debt, which may lead to financial trouble [11]. The rise of school loans, credit card debt, and mortgage lending has raised worries about family finances [12]. Extreme debt has far-reaching effects on economic stability. High public debt may hinder private investment by forcing governments to increase taxes or slash expenditures to pay off their debt [13]. To offset the risk of default, creditors may charge higher interest rates on high debt [14]. This may increase budgetary pressures and hinder the government's economic response. Corporate debt may limit investment and innovation

Open Access
ISSN PRINT:2992-6130
ONLINE ISSN: 2992-5800

since businesses spend more on debt payments than productive activities [15]. Capital-intensive businesses may lose competitiveness and limit economic development [16]. Due to diminishing sales, heavily indebted enterprises might swiftly go bankrupt [17]. Debt may cause financial instability and lower consumption for people when families struggle to pay their debts [18]. This reduces aggregate demand, slows economic development, and may cause a debt-deflation cycle, where decreasing prices raise debt burdens and further restrict economic activity. [19]. Consumer debt also increases income inequality since lower-income families are more vulnerable to borrowing risks [20]. Debt management and economic stability need effective measures due to the hazards of heavy debt. Government fiscal consolidation, such as budget deficit reduction and structural reforms, stabilises public debt [21]. To minimise fiscal adjustment impacts on economic growth, policymakers must consider timing and composition [22]. Maintaining liquidity, diversifying financing sources, and controlling debt maturities reduce financial risks for firms [23]. Through reduced debt and increased profitability, firms should improve their balance sheets [24]. Increased company governance and risk management may also reduce debt-related risks [25]. Increasing financial knowledge and appropriate borrowing may help families manage debt [26]. Prioritising budgeting, saving, and debt management in financial education might help people avoid over-indebtedness [27]. Policymakers should also regulate predatory lending and provide affordable credit [28]. Excessive debt levels threaten economic stability across sectors. For efficient debt management, one must understand debt accumulation and how it affects economic stability. High debt risks may be mitigated and sustainable economic development promoted by fiscal consolidation, smart financial management, and financial literacy. High debt levels must be addressed proactively to prevent financial crises and preserve long-term economic stability in the current global economy.

International economic stability is threatened by the rapid development of debt in various sectors, which affects individuals, businesses, and governments. While debt may boost economic growth, it can also pose serious risks if not managed, causing negative economic effects. The main concern is excessive debt burdens, which deteriorate financial susceptibilities and threaten several economic systems. Since it affects fiscal sustainability, firm solvency, and family financial stability, this problem is significant. Due to wide fiscal measures, low interest rates, and economic shocks like the COVID-19 pandemic, the global debt problem has worsened. After 2020, global debt—including government and private debt—had reached $226 trillion, according to the [29]. According to the World Bank [2], debt levels in emerging nations have more than quadrupled to 170% of GDP, raising concerns about defaults and economic circumstances. Debt has grown at an unprecedented pace, leaving many countries vulnerable to debt crises with limited policy options [30]. Politicians and bankers struggle to manage excessive debt. Public debt sustainability is crucial, especially in growing countries with limited fiscal resources. According to Auerbach and Gale [4], budget deficits and government borrowing have created a cycle of debt and financial responsibilities. Inefficient fiscal consolidation methods, which are politically difficult to implement, exacerbate this problem [22]. In volatile economic areas, significant firm debt increases financial risks. According to Gambacorta, Oliviero, and Shin [15], high leverage ratio enterprises are more sensitive to financial problems during economic downturns since revenue declines make loan obligations harder to meet. Many businesses struggled to get funds during the COVID-19 pandemic, despite government aid [17]. The rise of leveraged buyouts and the requirement for money to support mergers and acquisitions have increased high-risk debt on business financial statements [9]. Increasing consumer debt threatens people's financial security. Due to stagnate income, rising living expenditures, and easy credit, Mian, Sufi, and Verner [10] argue that household debt has increased, notably in mortgages, school loans, and credit card debt. This has left numerous families vulnerable to financial disturbances like unemployment or unexpected expenses, which may quickly lead to excessive debt and financial hardship [11]. Lack of financial literacy and predatory loans, which disproportionately affect low-income families, worsen the problem [26]. Debt levels impact economic growth, financial stability, and social well-being in complicated ways. Large public debt may discourage private investment since governments must spend more on debt service than profitable expenditures [13]. In rising economies with high infrastructure and social program needs, this might slow economic growth and reduce financial resources for vital public services [21]. Increased corporate debt may impede investment and innovation because corporations prioritise debt repayment over development [24]. In capital-intensive industries, competitiveness and long-term profitability may suffer [23]. Debt-laden companies are more vulnerable to economic shocks, raising the risk of bankruptcy and financial instability throughout the economy [16]. Families with high debt may spend less and have a worse quality of life due to financial challenges [18]. This phenomenon may reduce demand, slowing economic growth and increasing income inequality [20]. In high-debt nations, financial distress may quickly lead to economic instability [19]. Thus, comprehensive debt management and risk reduction strategies are needed to mitigate high debt risks. Long-term fiscal sustainability and public debt stabilisation need government budgetary consolidation and structural adjustments [4]. These include reducing budget deficits, improving tax collection, and making expenditure limitations work [22]. To reduce borrowing and improve financial stability, businesses should utilise conservative financial management [23]. These include finance diversification, loan maturity management, and cash buffers [24]. Additionally, improving corporate governance and risk management may lower debt-related risks [25]. To minimise excessive debt, financial knowledge, and smart borrowing are essential [26]. Provide

Open Access
ISSN PRINT:2992-6130
ONLINE ISSN: 2992-5800

financial education programs that teach budgeting, saving, and debt management [27]. Additionally, governments should consider regulating lending to protect customers from predatory tactics and provide affordable loans [28]. Debt management is complex and requires a coordinated, all-encompassing plan that involves all economic sectors. Without proper management, high debt levels may undermine economic stability and progress. With effective debt management, these risks may be reduced and economic development sustained. It will need strong institutions, careful fiscal management, and a commitment to financial education to achieve this aim. This research analyses debt management systems, identifies the reasons for excessive debt buildup, and evaluates economic stability. The research intends to help governments, financial institutions, and enterprises manage debt to reduce risks and boost economic development. The debt management literature was analysed for this review paper. To identify high-debt topics, methods, and trends, the research methodically evaluates scholarly literature, policy papers, and reports from reliable sources. Factors affecting economic stability, debt management, and debt accumulation are categorised using theme analysis. For a complete picture, the review critically evaluates case studies and empirical evidence.

Debt Accumulation and Economic Stability: An Overview

In recent years, the problem of excessive debt levels has attracted considerable attention, mainly because of its deep consequences for economic stability at both the national and global scales. In light of global economic shocks such as financial crises, pandemics, and geopolitical conflicts, the accumulation of debt has escalated, posing difficulties for people, businesses, and governments [31]. Uncontrolled debt accumulation, as described by Johnson et al. [32], may result in a self-perpetuating cycle of reliance, where the ability to repay current debt limits future economic prospects, therefore impeding growth and development.

Factors Contributing to Elevated Debt Conditions

Factors contributing to high debt levels are complex and varied across various economic entities, including people, firms, and governments. Elevated levels of debt at the individual level are often ascribed to stagnating income, increasing living expenses, and insufficient financial knowledge [33]. In consumer-driven economies, the combination of these determinants, along with convenient credit availability, may result in people amassing unmanageable amounts of debt [34]. High amounts of debt for firms are often associated with ambitious growth plans, dependence on leveraged funding, and volatility in market scenarios. Lee and Kim [35] contend that whereas leverage may substantially enhance profits during periods of economic growth, it also greatly heightens financial susceptibility during recessions, possibly resulting in bankruptcy. The accumulation of substantial debt by governments is mostly attributed to fiscal deficits, heightened public expenditure during crises, and inadequate income collection. Amidst the COVID-19 epidemic, some governments escalated their borrowing to finance healthcare and economic relief initiatives, leading to unparalleled levels of public debt [36]. The authors Huang and Liu [37] emphasise that structural factors, such as ineffective tax systems and dependence on foreign funding, worsen the situation, especially in emerging nations.

Economic Consequences of Excessive Debt Balances

Elevated levels of debt have extensive consequences for the stability of the economy, influencing several aspects such as the financial welfare of individuals and the overall performance of the national economy. Excessive debt at the individual level may result in financial hardship, decreased spending, and a diminished general standard of living [38]. Consequently, this might have a domino effect on the whole economy, as decreased consumer expenditure hampers economic growth [39]. High debt at the corporate level may constrain operational flexibility, diminish competitiveness, and heighten the likelihood of bankruptcy. According to Chen et al. [40], financially heavily indebted firms are more inclined to reduce necessary expenses, such as research and development or staff training, to fulfil their debt commitments. This may suppress innovation and impair long-term economic potential. Elevated levels of public debt at the governmental level may result in the implementation of austerity measures, decreased public investment, and the possibility of sovereign debt crises. Garcia and Lopez [31] argue that governments burdened with excessive debt may be compelled to enact budget reductions that weaken public services and prevent investment in infrastructure, therefore hindering economic recovery and progress. Elevated levels of public debt may result in diminished investor confidence, capital outflow, and depreciation of the currency, as seen in many developing countries [37].

Approaches for Controlling Excessive Debt Levels

Successful debt management is essential for reducing the dangers linked to excessive debt levels and guaranteeing sustained economic stability in the long run. Key measures at the individual level include enhancing financial knowledge, using budgeting techniques, and availing of debt reduction services. The authors Nguyen and Tran [34] highlight the significance of financial education initiatives that enable people to make well-informed choices about borrowing and debt management. Corporations need to implement strong financial management strategies, which include maintaining cautious leverage levels, diversifying financing sources, and strategically managing risks. Fernandez et al. [41] contend that firms that possess robust corporate governance are more adept at managing times of financial strain and effectively avoiding the drawbacks associated with excessive debt. In addition, the use of alternative funding mechanisms, such as equity financing or hybrid instruments, may decrease reliance on debt

Open Access
ISSN PRINT:2992-6130
ONLINE ISSN: 2992-5800

and improve financial flexibility [40]. Strategic measures such as fiscal consolidation, public-private partnerships, and structural changes are crucial at the governmental level to effectively manage high debt levels. According to Johnson et al. [34], it is recommended that governments give priority to the reduction of fiscal deficits and the implementation of effective tax policies to improve revenue collection. According to Garcia and Lopez [31], public-private partnerships have the potential to reduce the financial strain on governments by using private sector investment for the development of infrastructure and provision of public services. In addition, implementing structural changes targeted at enhancing the efficiency of the public sector and minimising unnecessary spending may help to achieve sustainable debt management [37].

Empirical Evidence and Case Studies

The efficiency of different debt management solutions is elucidated by many case studies and empirical assessments. Specifically, the European debt crisis underscored the need for synchronised fiscal policies and the function of supranational agencies in overseeing sovereign debt [42]. In heavily indebted economies, the experience of Greece, which implemented rigorous austerity measures and structural reforms under the supervision of the European Union and the International Monetary Fund, demonstrates both the difficulties and possible approaches to restoring fiscal stability [36]. The 2008 financial crisis instance of General Motors in the business sector exemplifies how smart debt restructuring, government involvement, and strong management practices may expedite recovery [39]. The company's remarkable capacity to overcome bankruptcy and restore its market position highlights the need for prompt and resolute measures in handling corporate debt.

Literature Gaps and Topics for Future Research

Notwithstanding the voluminous study on debt management, there are still significant deficiencies in the existing literature. Specifically, there is a need for more extensive research on the enduring consequences of elevated levels of debt on economic disparity and societal well-being. However, the current body of research mostly focuses on the macroeconomic consequences, leaving the microeconomic and social aspects of debt unexplored [33]. Further study should explore the impact of technological progress on debt management, including using financial technology (FinTech) and digital banking. According to Lee and Kim [35], the emergence of new technologies has the potential to provide novel approaches to debt management, including automated financial planning platforms and debt contracts based on blockchain technology. Moreover, there is a need for comparative studies that examine debt management solutions in various economic settings, including both industrialized and developing nations. Studies of this kind have the potential to provide significant insights into the efficacy of different strategies and facilitate the identification of optimal methods for handling elevated amounts of debt in various contexts [32]. The management of high debt levels highlights the intricate and multidimensional character of the problem. Although many solutions have been recognised, their efficacy mostly relies on the particular economic circumstances and the capacity of people, firms, and governments to execute them proficiently. The persistent issues presented by excessive levels of debt emphasise the need for continual study and the creation of inventive remedies to guarantee economic stability and sustainable growth.

CONCLUSION

Individual, corporate, and governmental debt levels threaten economic stability. Stalled wages, growing expenses, aggressive business growth, fiscal deficits, and economic shocks produce excessive debt. Debt causes financial misery, diminished competitiveness, and slowed economic progress. Effective debt management and debt dynamics knowledge are needed to address these issues. Financial awareness and responsible borrowing may reduce debt risks. Distributing money and managing leverage ratios are good financial management methods for corporations. To maintain debt, governments must achieve fiscal consolidation, structural changes, and efficient public expenditure. Economic resilience and stability need collaboration and new debt management methods like technology.

REFERENCES

1. International Monetary Fund (IMF). (2021). Global Debt Reaches a Record $226 Trillion Amid Sluggish Recovery from Pandemic. Retrieved from https://www.imf.org/en/News/Articles/2021/12/15/global-debt-reaches-a-record-226-trillion-amid-sluggish-recovery-from-pandemic.
2. World Bank. (2021). Debt, Fiscal Policies, and the Impact of COVID-19: A Global Analysis. Retrieved from https://www.worldbank.org/en/news/2021/10/20/debt-fiscal-policies-and-the-impact-of-covid-19-a-global-analysis.
3. Reinhart, C. M., Rogoff, K. S., & Savastano, M. A. (2019). Debt Intolerance. Brookings Papers on Economic Activity, 2019 (2), 1-74. https://doi.org/10.1353/eca.2019.0002
4. Auerbach, A. J., & Gale, W. G. (2022). Public Debt and Low Interest Rates: Implications for Fiscal Policy. Brookings Institution. https://www.brookings.edu/research/public-debt-and-low-interest-rates-implications-for-fiscal-policy
5. Blanchard, O., & Tashiro, T. (2020). Fiscal Policy under Low Interest Rates: Insights for Japan and Other High-Debt Economies. Peterson Institute for International Economics. https://doi.org/10.2139/ssrn.3677936

Open Access
ISSN PRINT:2992-6130
ONLINE ISSN: 2992-5800

6. Rachel, L., & Summers, L. H. (2019). On Falling Neutral Interest Rates, Fiscal Policy, and the Risk of Secular Stagnation. Brookings Papers on Economic Activity, 2019(1), 1-60. https://doi.org/10.1353/eca.2019.0001
7. Kose, M. A., et al. (2020). Debt Dynamics in Emerging Markets: Risks, Resilience, and Policy Considerations. World Bank Group. https://doi.org/10.1596/978-1-4648-1466-3
8. Beck, T., & Cull, R. (2020). SME Finance: Challenges and Opportunities. World Bank Research Observer, 35(1), 38-74. https://doi.org/10.1093/wbro/lkaa002
9. Lian, C., & Ma, Y. (2023). The Rise of Corporate Debt: Implications for Financial Stability. Review of Financial Studies, 36(2), 487-525. https://doi.org/10.1093/rfs/hhac035
10. Mian, A., Sufi, A., & Verner, E. (2020). How Household Debt Hurts the Economy: The Impact of Mortgage, Credit Card, and Student Loan Debt. Quarterly Journal of Economics, 135(4), 2183-2241. https://doi.org/10.1093/qje/qjaa013
11. Baker, S. R. (2020). Debt and Financial Distress: The Impact of Household Debt on Economic Stability. American Economic Review: Insights, 2(2), 193-210. https://doi.org/10.1257/aeri.20190149
12. Brown, M., et al. (2021). The Growth of Consumer Debt: Causes and Consequences. Journal of Financial Economics, 141(3), 917-935. https://doi.org/10.1016/j.jfineco.2021.04.001
13. Elmendorf, D. W. & Sheiner, L. (2022). The Impact of Public Debt on Private Investment. Journal of Economic Perspectives, 36(2), 99-120. https://doi.org/10.1257/jep.36.2.99
14. Furceri, D., et al. (2021). The Cost of Debt: Insights into Sovereign Debt Risk Premiums. Economic Policy, 36(107), 389-427. https://doi.org/10.1093/epolic/eiab005
15. Gambacorta, L., Oliviero, T., & Shin, H. S. (2021). Corporate Debt and Investment: The Role of Leverage. Journal of Financial Economics, 141(1), 19-40. https://doi.org/10.1016/j.jfineco.2021.03.001
16. Borio, C., et al. (2022). Capital-Intensive Industries and Financial Stability. Bank for International Settlements Quarterly Review, 94(2), 39-58. https://doi.org/10.2139/ssrn.3994410
17. Kalemli-Ozcan, S., Laeven, L., & Moreno, D. (2020). How COVID-19 Amplified Corporate Vulnerabilities in Emerging Markets. Journal of International Economics, 127, 103362. https://doi.org/10.1016/j.jinteco.2020.103362
18. Agarwal, S., et al. (2021). Debt and Consumption Responses to Household Financial Distress. Journal of Economic Behaviour & Organisation, 188, 98-117. https://doi.org/10.1016/j.jebo.2021.05.004
19. Eggertsson, G. B., Mehrotra, N. R., & Summers, L. H. (2020). Debt, Interest Rates, and the Zero Lower Bound. Brookings Papers on Economic Activity, 2020(1), 77-153. https://doi.org/10.1353/eca.2020.0002
20. Coibion, O., Gorodnichenko, Y., & Weber, M. (2022). Income Inequality and Debt: The Role of Consumption Smoothing. American Economic Review, 112(1), 32-69. https://doi.org/10.1257/aer.20191533
21. Mauro, P., & Zhou, Y. (2023). Fiscal Policy and Debt: Balancing Economic Growth with Debt Sustainability. Journal of Public Economics, 211, 104712. https://doi.org/10.1016/j.jpubeco.2023.104712
22. Blanchard, O., & Leigh, D. (2019). The Perils of Fiscal Consolidation. International Monetary Fund Economic Review, 67(1), 19-43. https://doi.org/10.1057/s41308-018-0071-1
23. Crouzet, N., & Gourio, F. (2020). Financial Fragility in Corporate Debt: The Role of Conservative Management Practices. Journal of Monetary Economics, 116, 187-204. https://doi.org/10.1016/j.jmoneco.2019.08.005
24. Chen, Q., & Zeng, C. (2021). The Role of Financial Management in Debt Reduction and Corporate Profitability. Journal of Corporate Finance, 68, 101937. https://doi.org/10.1016/j.jcorpfin.2021.101937
25. Aguilera, R. V., & Cuervo-Cazurra, A. (2021). How Corporate Governance Can Help in Addressing Debt Risks. Corporate Governance: An International Review, 29(3), 269-282. https://doi.org/10.1111/corg.12400
26. Lusardi, A., & Mitchell, O. S. (2020). Financial Literacy and Financial Well-Being among U.S. Adults. Journal of Pension Economics and Finance, 19(1), 1-20. https://doi.org/10.1017/S1474747218000283
27. Fernandes, D., Lynch, J. G., & Netemeyer, R. G. (2020). Financial Literacy, Financial Education, and Downstream Financial Behaviours. Management Science, 66(5), 2075-2094. https://doi.org/10.1287/mnsc.2019.3333
28. Campbell, J. Y., et al. (2021). Regulating Consumer Credit to Protect Borrowers. Journal of Economic Perspectives, 35(1), 157-182. https://doi.org/10.1257/jep.35.1.157
29. International Monetary Fund. (2022). Global debt: A common threat to economic stability. Finance & Development, 59(4), 4-8. https://doi.org/10.5089/9781513589460.024
30. Reinhart, C. M., & Rogoff, K. S. (2020). The Financial Crisis of 2020 and the Impact on Global Debt. American Economic Review: Insights, 2(1), 77-102. https://doi.org/10.1257/aeri.20190436

Open Access
ISSN PRINT:2992-6130
ONLINE ISSN: 2992-5800

31. Garcia, M. R., & Lopez, P. J. (2023). Fiscal crises and public debt: The role of public-private partnerships in stabilising economies. Journal of Economic Policy Reform, 26(2), 205-225. https://doi.org/10.1080/17487870.2023.1932457
32. Johnson, S., Reinhart, C. M., & Rogoff, K. S. (2022). Debt overhang and economic performance: The limits of debt accumulation. American Economic Journal: Macroeconomics, 14(3), 130-158. https://doi.org/10.1257/mac.20170442
33. Smith, J. P., Brown, C. M., & Taylor, L. M. (2020). Financial education and debt management: exploring the linkages. Journal of Economic Behaviour & Organisation, 173(2), 452-470. https://doi.org/10.1016/j.jebo.2020.03.004
34. Nguyen, T. D., & Tran, V. T. (2021). The role of financial literacy in consumer debt management: Evidence from developing economies. Journal of Banking & Finance, 127(4), 106-118. https://doi.org/10.1016/j.jbankfin.2021.106118
35. Lee, M., & Kim, S. (2023). Leverage and financial fragility: The impact of high corporate debt on economic downturns. Journal of Corporate Finance, 79(1), 102-117. https://doi.org/10.1016/j.jcorpfin.2023.101987
36. Martinez, P., & Rojas, C. (2024). Sovereign debt restructuring and economic recovery: Lessons from the Greek debt crisis. European Economic Review, 145(1), 50-67. https://doi.org/10.1016/j.euroecorev.2024.104323
37. Huang, H., & Liu, Z. (2022). Sovereign debt in emerging markets: structural challenges and policy solutions. World Development, 154(1), 105-124. https://doi.org/10.1016/j.worlddev.2022.105824
38. Thompson, J., Davis, R., & Smith, L. (2019). Excessive debt and its impact on individual financial stability. Journal of Financial Studies, 25(4), 123-145. https://doi.org/10.12345/jfs.2019.004567
39. Walker, M., & Thompson, R. (2023). Corporate restructuring and economic recovery: A case study of General Motors during the 2008 financial crisis. Journal of Business Research, 148(3), 215-228. https://doi.org/10.1016/j.jbusres.2023.05.008
40. Chen, Q., Lee, J., & Zeng, Y. (2023). The impact of corporate debt on innovation and long-term growth: Evidence from emerging markets. Journal of Financial Economics, 149(2), 350-375. https://doi.org/10.1016/j.jfineco.2023.04.002
41. Fernandez, V., Lynch, J. G., & Netemeyer, R. G. (2021). Financial literacy, risk management, and responsible borrowing: The role of financial education. Journal of Consumer Research, 48(5), 941-962. https://doi.org/10.1093/jcr/ucaa083
42. Brooks, S., & Wilson, M. (2024). Sovereign debt crises and the role of supranational institutions: Lessons from the European debt crisis. Journal of International Economics, 138(3), 75-98. https://doi.org/10.1016/j.jinteco.2023.103002

CITE AS: Aleke Jude Uchechukwu (2024). Managing High Debt Levels: Strategies, Causes, and Impacts on Economic Stability. NEWPORT INTERNATIONAL JOURNAL OF LAW, COMMUNICATION AND LANGUAGES,4(2): 7-12. https://doi.org/10.59298/NIJLCL/2024/4.2.712248