

## **The Vicissitudes of Monetary Policy Rates and Macro-Economic Variables in the West African Monetary Zone**

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**Abstract :** This study offers an empirical investigation into some selected macroeconomic drivers of the monetary policy rate in member countries of the West African Monetary Zone (WAMZ), considering both internal and external variables. We employed Autoregressive Distributed Lag (ARDL) to carry out the investigation between monetary policy and some macroeconomic variables in both the long-run and short-run relationship. The results suggest that the drivers of the policy rate in this zone, in the long run, include, among others, global oil price, exchange rate, inflation rate, and gross domestic product, while in the short run, federal fund rate, trade openness, exchange rate, inflation rate, and gross domestic product are core determinants of the policy rate. Therefore, in order to ensure long-run stability in the policy rate among the members' states, these drivers should be given closer consideration so that the trajectory for effective structure can be designed and fused into the economic structure and policy frameworks accordingly.

**Keywords :** monetary policy rate, macroeconomic variables, WAMZ, ARDL

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