

## Factors Influencing the Decision of IMF Assistance in The Sub-Saharan African Region

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### ABSTRACT

This study investigates the likelihood of seeking International Monetary Fund (IMF) assistance in 39 Sub-Saharan African (SSA) countries across three time-based segments 2000-2022, 2017-2022 employing the panel probit model based on the data obtained from the World Bank and IMF. The paper presents six hypotheses regarding macro-economic variables that affect a country's decision to seek IMF assistance. The likelihood of a country seeking IMF assistance will increase by 14.9% and 0.28%, respectively, when General Government Gross Debt (GGGD) and inflation increase. Conversely, the likelihood of a country seeking IMF assistance will decrease by 41.97%, 3.81%, and 1.5%, respectively, when corruption, Gross Domestic Product (GDPG) and General Government net lending and borrowings (GGNLB) increase. However, our findings depict that there is no significant relationship between Current Account Balance (CAB) and inflation in a country seeking IMF assistance. Further, the repercussions of this study suggest that Sudan, Burundi, and Guinea-Bissau emerge as the first three primary nations seeking IMF assistance in all three timeframes. Since the applicability of the research findings in today's context may not give relevant insights, this study fills the gap in existing knowledge by comprehensively examining the influence of macroeconomic indicators on SSA countries decisions to seek IMF assistance in the present context. Further, the extensive analysis done in this research incorporating predicted probability to rank countries in SSA accordingly to determine which countries had been influenced highly by the macroeconomic indicators used in seeking IMF assistance will aid policymakers in SSA nations to encourage and improve fiscal management to build a more self-sufficient economic framework that diminishes the need for external financial assistance.

**Keywords:** IMF, Sub-Sharan African, GDP growth, Corruption, Inflation