1. Title:
Economics of COVID-19 Multilateral Foreign Aid

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3. Abstract:
This paper provides an empirical study of the link between COVID-19 aid to developing countries by multilateral organizations and the level of democracy in the recipient countries. In particular, we test whether developing countries with lower level of democracy, using democratic political institutions as a proxy, receive more foreign aid. The policy implication of our econometric results may suggest that more democratic developing countries may have disadvantage in responding quickly to international donors for COVID-19 aid. We use a battery of economic, health, and other political variables as controls.

4. Data description:
International Monetary Fund (IMF), World Bank, Asian Development Bank (ADB) databases
Freedom House database
WDI database
United Nations Office for the Coordination of Humanitarian Affairs (OCHA) database
World Health Organization (WHO) database

For this project, we use cross-sectional data for over 190 countries. Our main outcome variable of interest is COVID-19-related aid package approved by different multilateral donors, including International Monetary Fund (IMF), World Bank, Asian Development Bank (ADB), among others. The data for multilateral’s aid package approvals are collected from their corresponding websites. Our main explanatory variable of interest is the level of democracy, which is measured using data from Freedom House and Polity. The additional controls include COVID-19 confirmed cases and deaths (from the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) database), economic controls (GDP per capita and population, both sourced from WDI database), and healthcare system controls (median age, hospital beds, and health expenditure as percentage of GDP, all sourced from WDI database, and the number of cases in previous respiratory pandemics, including Severe Acute Respiratory Syndrome (SARS) and Influenza A Virus Subtype (H1N1), sourced from the World Health Organization (WHO) database).

5. JEL codes for the project:
F35, I10, O1, P16.

6. Key-words:
Pandemic; COVID-19; Multilateral Aid, Democracy.