**Business Dynamism, Sectoral Reallocation and Productivity in a Pandemic: Ascari, Colciago and Silvestrini (2021)**

This model builds an Epidemiological-Industry Dynamic model, featuring a SIR model and a 2 sector economy with heterogeneous firms.

The economy includes a social and a non-social sector, where social goods require social interactions for consumption. Additionally, it includes sticky wages to analyze the role of monetary policy. The transmission rate in the SIR part of the model is endogenously affected by the consumption behavior of the agents. The paper analyzes: (1) the effect of the pandemic of the market structure of the social and non-social sector evaluating market exits, entries and average market productivity, (2) the role of the size of the social sector for the severity of the recession and (3) the role of the monetary policy.