**Macroeconomic Dynamics and Reallocation in an Epidemic: Evaluating the "Swedish Solution". Dirk Krueger, Harald Uhlig, Taojun Xie (2020)**

Krüger, Uhlig and Xie (2020) is a RBC model combined with an epidemic SIR model and heterogeneous production sectors of consumption goods.

The model is built in the work of Eichenbaum et al. (2020a) and includes heterogeneous production sectors of consumption goods which can be different in their infection probabilities in the consumption process. The model follows a standard SIRD model (susceptible, infected, recovered and deceased). Initially, all people are identical, then a fraction of the population is infected by a virus through social interactions. The model study:1) The effect of different consumption goods in terms of infection probabilities, 2) The optimal social planner of allocation to mitigate the economic and health crisis.