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Peer Review

Review of: "Inequality Emerges from Networks"

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The paper introduces an innovative consideration to explain how economic inequality may emerge purely from the networks of organisations without invoking differences in productivity (thus skills). The paper is theoretically original, interesting, and offers an elegant proof of concept; it is hindered by over-simplifications and an insufficient engagement with the broader literature on inequality and labour economics.

The authors situate their work within the growing field of network economics and touch upon classic sociological and econophysics contributions. However, the literature review is far from complex and supportive. Literature related to organisational economics, bargaining power, and institutions is missing, as is how the current model can fit into those models.

The simulation approach is modern, complex, and replicable; however, the applied functions seem to be very ad hoc. The functions are considered to lack theoretical and empirical grounding. The model is not confronted with real-world firm structures or compensation data. Gini coefficients are reported but make no sense to compare to the simulated companies' results. Micro and macro connections are proved to be not that linear many times. With this theoretical framework, the role of economic policy and institutions is questionable, not just for income inequality but for innovation as well.

Overall, the paper offers a unique, provocative consideration which is supposed to be supported by more precise explanations.

Declarations

Potential competing interests: No potential competing interests to declare.

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