

Comments on the talk by V.P. Veetil "The Cost of Inflation"

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- The subject of the study is very important, both theoretically and empirically.
- The new elements in the analysis (admittedly, using the truncated spectral decomposition, degree - related disassortativity, introducing a stochastic ensemble of input-output matrices, ...) are not clearly separated from the previously known things (the model as such, inhomogeneous evolution of prices under monetary shocks). It is very interesting to have a comment on this.
- The definition of inflation used in the study is specifically tailored to a production network in which money injection is by default translated into rising prices. What is the range of applicability of the results obtained for analysing the empirical data?

- It is of interest to compare assumptions on properties of the matrix $A = \{a_{ij}\}$ (irreducibility, aperiodicity) with those of the empirically available data.
- A matrix $A = \{a_{ij}\}$ corresponds to a weighted graph. Focusing on purely degree-dependent quantities (mean supplier degree, etc.) and not on there counterparts for weighted graphs may create a significant bias in describing the properties of a system.
- Using a truncated spectral decomposition of the form

$$A \simeq v_1 u_1^\top + \lambda_2 v_2 u_2^\top$$

for description of dynamical evolution of monetary components and prices seems justified only for real λ_2 which is in general not guaranteed and may be checked on the case by case basis on empirical input-output matrices.