Review of

The Real Versus the Financial Economy: A Global Tale of Stability Versus Volatility

By: P. Mundt, N. Förster, S. Alfarano, and M. Milaković

This paper is a hidden gem and it is a pity that it did not trigger further discussion. I only have to suggest minor revisions before publication.

Introduction, page 3, line 8up

The profit rate was often discussed in non-orthodox economics including Marxist literature. It is not the case of fully reviewing this literature here, but at least, the authors could include a pointer to Farjoun and Machover's book:

Emmanuel Farjoun and Moshé Machover, *Laws of Chaos: A Probabilistic Approach to Political Economy*. London: Verso, 1983

Introduction, page 3, line 2up

When mentioning the statistical equilibrium framework a pointer to the papers by D. Foley and to the book of Garibaldi and Scalas could be useful for the readers.

Foley's works can be retrieved from
http://www.newschool.edu/nssr/faculty.aspx?id=10284

Garibaldi and Scalas' book is

Ubaldo Garibaldi and Enrico Scalas, *Finitary Probabilistic Methods in Econophysics*. Cambridge: Cambridge University Press, 2010

Section 2, page 6, equation (2)

I suggest using the annual percentage change in market value instead of the logarithmic return. This would mean repeating the analyses for this variable. Alternatively, the authors could quantify their claim that log-returns *should approximate the annual percentage change in market value* in an appropriate table. Log-returns are a good approximation of percentage changes if index or price changes are small compared with the baseline. If an index moves from 10000 to 15000 in one year, the annual percentage change is 0.50 (or 50%). However, the logarithmic return is 0.41. I do expect results to be robust with respect to this variable change, but, here, there is no major reason for preferring an additive random variable that approximates the quantity of interest.

Final recommendation

I suggest to accept this paper after the minor revisions listed above.